

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. ADAMS. Mr. President, I should like to inquire of the Senator from Kentucky whether he cannot get unanimous consent that we proceed with the relief joint resolution tomorrow.

Mr. BARKLEY. I shall be glad to confer with the Senator from Colorado about that between now and tomorrow.

Mr. ADAMS. And fix a definite time for taking it up?

Mr. BARKLEY. I hope we may resume consideration of the measure tomorrow.

Mr. McKELLAR. We might get consent to vote on the first amendment tomorrow, at any rate.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. Bilbo in the chair), as in executive session, laid before the Senate a message from the President of the United States submitting two naval nominations, which was referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 26, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 25 (legislative day of April 20), 1938

APPOINTMENTS IN THE NAVY

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation, in the Department of the Navy, with the rank of rear admiral, from the 11th day of June 1938, for a term of 4 years.

Capt. Walter B. Woodson to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 20th day of June 1938, for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 25, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, we pray Thee that the constancy of Thy loving providence may awaken enduring gratitude in our souls. Whatever may be our weaknesses, let us think of ourselves as Thy children, seeking no reward more glorious than Thine approval. Bless us with the voice of Thine unuttered spirit, with the songs that sing in silence, and let us hear the tones that the heart loves so well. Oh, make our faith so steadfast that our faculties shall rise in a radiant morning of the soul. Blessed Lord, Thou who art supreme over all, help us to be faithful and true in life-giving and in life-sustaining ministries. Grant that we may see beneath life's busy activities the great good Thou art working among men; to this end may we learn to labor and to wait. Our Father, hold us to the truth, that amid conflicts and hardships life is a climbing vine that blossoms on the other side of the wall. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 3845) entitled "An act to create a Civil Aeronautics Authority, and to promote the de-

velopment and safety and to provide for the regulation of civil aeronautics," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. CLARK, Mr. DONAHEY, Mr. JOHNSON of California, Mr. WHITE, and Mr. McCARRAN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4022. An act to amend the Federal Reserve Act in regard to charitable contributions, and for other purposes.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Anderson, Mo.	Driver	Lewis, Md.	Rogers, Okla.
Atkinson	Duncan	Lucas	Scott
Barden	Elliott	McGehee	Smith, Okla.
Beiter	Englebright	McGranery	Somers, N. Y.
Bell	Fish	McGroarty	Spence
Boykin	Flannagan	McKeough	Steagall
Boylan, N. Y.	Fries, Ill.	McMillan	Sweeney
Bradley	Gamble, N. Y.	Maloney	Swope
Buckley, N. Y.	Gasque	Mansfield	Taylor, Colo.
Bulwinkle	Greenwood	Martin, Mass.	Thurston
Cannon, Wis.	Griswold	Mead	Tinkham
Casey, Mass.	Hancock, N. C.	Mitchell, Tenn.	Wadsworth
Celler	Holmes	Murdock, Ariz.	Wearin
Champion	Jacobsen	Norton	Weaver
Chapman	Johnson, Okla.	O'Connell, Mont.	Wene
Cole, Md.	Keller	O'Connell, R. I.	West
Cooley	Kennedy, Md.	O'Day	Whelchel
Cox	Kirwan	Oliver	White, Ohio
Crosby	Kleberg	Pettengill	Wolfenden
Curley	Kniffin	Pfeiffer	Wood
Ditter	Kvale	Randolph	Woodruff
Doughton	Lanzetta	Reed, N. Y.	

The SPEAKER. Three hundred and forty Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of youth and democracy; also to extend in the RECORD an article by myself appearing in the American Bar Association Journal for May on the subject of the Nation's principal repository of legal literature.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT TO COMMITTEE

Mr. CULLEN. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Resolution 506

Resolved, That ALFRED J. ELLIOTT, of California, be, and he is hereby, elected chairman of the standing committee of the House of Representatives on the Disposition of Executive Papers.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SEVENTY-FIFTH ANNIVERSARY OF BATTLE OF GETTYSBURG

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 693, making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

The Clerk read the title of the joint resolution.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman from Virginia explain this joint resolution.

Mr. WOODRUM. Mr. Speaker, this joint resolution makes an appropriation of \$900,000 available to the War Department to carry out the purposes of the bill (H. R. 9784) introduced by the gentleman from Pennsylvania [Mr. HAINES],

and which passed the House by unanimous consent on May 16, 1938, authorizing an appropriation for the commemoration of the seventy-fifth anniversary of the Battle of Gettysburg and directing that each surviving veteran of the War of 1861 to 1865 be extended an invitation to attend this event as guests of the Government. This makes an appropriation for that purpose.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. I notice this bill provides that the Army Band shall play at this celebration. I think this is an appropriate occasion for the Army Band to play, but I have had several experiences trying to get the Army Band to play for local celebrations similar to this.

They have always told me it is impossible to allow them to do that because it is against their regulations, and they do not allow them to play any place on account of the opposition of the musical union. How does the gentleman arrange for the band to play at this celebration?

Mr. WOODRUM. The only exception to that rule, I may say to the gentleman, is that Congress has always sent either the Marine Band, the Army Band, or Navy Band to play for the Confederate veterans and for the Union veterans at their annual conclave. This is a meeting of both of them. This is a joint convention.

Mr. SNELL. I agree with the gentleman. I think that is the proper place to have the national bands play, but I do not understand the regulations. I know from my own personal knowledge, at least I think I know, that they do play at certain places throughout the country, but we have never been able to get one to play at our local celebrations up in northern New York.

Mr. WOODRUM. I think this is the rule: The service bands do not play and are not permitted by the Departments to go any place unless it is a matter of national importance. That is, at Government expense. But we have on a number of occasions permitted the service bands to go to certain places to play where the local communities or the activity paid the expenses. That has always been done by a special act of Congress.

Mr. SNELL. Does the gentleman mean that each time the band does play at a private celebration, so to speak, or a local community celebration, we have to have an act of Congress for them to go?

Mr. WOODRUM. Unless it is of some national importance, where the Department can order them, or some national celebration.

Mr. SNELL. I think I know of some places within the last year that the bands have played and there has not been any act of Congress authorizing them to do it. I want every part of the country treated alike and the same. If they absolutely refuse to let the band go to any local community in any part of the United States, while I do not agree with that, it is satisfactory to me. I have had a great deal of trouble in this respect. They certainly will not let the band play up in northern New York, and I do not think it is right.

Mr. WOODRUM. The gentleman, I know, can visualize the difficulty the Government would have if it permitted these service bands to go every place. They are very fine bands, and it takes a lot of money to move them. It also takes them away from their home post.

Mr. SNELL. I refer to cases where the expenses are paid.

Mr. COCHRAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Missouri.

Mr. COCHRAN. This matter has been up in Congress time and time again. Government bands should not be permitted to play anywhere other than at a celebration of national importance, such as the reunion at Gettysburg, because when you permit the bands to go to a community to play, they take work away from the musicians in that community. As far as my city is concerned, our musicians are 100 percent against bringing the Army, Navy, or Marine Band to St. Louis to compete with the St. Louis musicians.

Mr. SNELL. What are you going to do where they have not any music or where there is not a local band?

Mr. COCHRAN. Call on some band in a community nearby; but do not take Government bands that are being paid a salary, when you have musicians on the W. P. A. rolls who cannot get work. You speak of the Government interfering and engaging in business. That is just exactly what this is.

Mr. SNELL. Let us take Plattsburg, N. Y. There is no band there, and when they have a community celebration there, it seems to me that one of the service bands ought to be allowed to play there.

Mr. WOODRUM. Do they not let the barracks band play at these community celebrations?

Mr. SNELL. No.

Mr. WOODRUM. They do in most communities.

Mr. SNELL. I know they do in some places.

Mr. WOODRUM. I think that is up to the War Department.

Mr. SNELL. I have been down there, too.

Mr. WOODRUM. The local post bands participate in parades and every sort of local activity.

Mr. SNELL. I know they do in certain places, and that is why I am kicking, because they will not allow them to play at a local celebration up there.

Mr. WOODRUM. This has to do with the United States Army Band, not the local post band.

Mr. SNELL. But this is the first opportunity I have had to bring the matter to the attention of the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That to enable the Secretary of War, under the direction of the Commission established by the joint resolution entitled "Joint resolution for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1863," approved June 24, 1936, to carry into effect the provisions of the act entitled "An act to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg, to be held in Gettysburg, Pa., from June 29 to July 6, 1938," approved May 16, 1938, including the operation, maintenance, repair, rent, or, if necessary, purchase of automobiles, the reimbursement of other appropriations of the War Department for expenditures which may have been made therefrom in preparation for such celebration, and for any other contingencies and unforeseen expenses which the Secretary of War shall consider necessary and proper, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$900,000, to remain available until June 30, 1939: Provided, That the leaders and members of the Army Band may be allowed not to exceed \$5 per day each for actual living expenses while on duty in connection with such celebration and the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station: Provided further, That the Secretary of War shall make a detailed report to Congress of the expenditures hereunder.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WILLIAM GRAVES SHARP

Mr. HARTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 35.

The Clerk read the title of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

Senate Concurrent Resolution 35

Whereas the late Hon. William Graves Sharp, with prophetic vision, introduced in the House of Representatives on April 21, 1913, the first bill which provided for the carrying of the mail by airplane; and

Whereas air-mail service now reaches every part of the Nation and has been extended to lands across the sea: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby honors and pays tribute to the memory of the Honorable William Graves Sharp for having introduced and supported the first bill providing for air-mail service.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The Chair thinks it proper to state at this time that this is Calendar Wednesday and all other

matters must be by unanimous consent. One of the committees has the call, and whatever is done must be done by unanimous consent.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of appropriations for the Civil Service Commission, and to quote a brief article on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short article which deals with the subject of pottery, about which I made a speech recently.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WELCH and Mr. COFFEE of Washington asked and were given permission to extend their own remarks in the RECORD.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address made in Boston recently by J. N. Darling, and I ask that this address be printed, notwithstanding the fact it may be slightly more lengthy than the rules allow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the gentleman from Minnesota [Mr. KNUTSON] at Manchester, N. H., on May 22, in connection with the three hundredth anniversary of the landing of the first Swedish colonists in America.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an editorial from the Grand Rapids Press on wage and hour legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks twice in the RECORD, on two different subjects.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address by Admiral Land, Chairman of the United States Maritime Commission, delivered last Saturday night in New York at the National Maritime Day celebration.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MONETARY AND CREDIT CONTROL

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The Speaker. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS. Mr. Speaker, one of the three or four major problems which the Congress will have to meet, and better soon than late, is the problem of the relationship of the total monetary supply and credit supply of this country to our productive capacity.

In this connection, one of the very finest pieces of work that has been done is a bill (H. R. 9800) introduced by the gentleman from Nebraska [Mr. BINDERUP]. The gentleman

from Nebraska is going to speak at the conclusion of the legislative business today, and possibly on future days, on the general subject of that bill and the problem of monetary and credit control and use in the national interest. I rise merely to urge the Members of the House to be here and take part in that discussion.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL. Mr. Speaker, I propose to introduce a bill for the installation of an automatic voting machine, which will save time and also save the confusion we have in the Well of the House at the close of a second roll call when a vote is taken. Furthermore, the machine will record us correctly, so we will not be embarrassed in explaining our votes incorrectly recorded.

EXTENSION OF REMARKS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short table prepared by the United States Tariff Commission.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE WAGE AND HOUR BILL

Mr. BINDERUP. Mr. Speaker, I notice in the RECORD that on roll call No. 86 I am paired in a general pair. I wish it generally understood and I wish it to appear in the RECORD that if it had been possible for me to have been here on yesterday I would have voted "yea" on that roll call; that is, I would have voted for the bill.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the P. W. A.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

DISTRICT OF COLUMBIA REVENUE ACT OF 1937

Mr. PALMISANO (when the Committee on the District of Columbia was called). Mr. Speaker, I call up the joint resolution (H. J. Res. 687) to amend title VI of the District of Columbia Revenue Act of 1937.

The Clerk read the title of the joint resolution.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the joint resolution may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That subsection (b) of section 7 of title 6 of the District of Columbia Revenue Act of 1937, as amended, is amended to read as follows:

"(b) Any tax on tangible personal property (other than motor vehicles) levied against and paid by the taxpayer to the District, within the time prescribed by law for the payment of such tax by the taxpayer, shall be allowed as a credit against the tax imposed by this title for the taxable year in which such tax on tangible personal property is paid."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAIR TRADE PRACTICES ACT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9873) to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic

practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following terms, as used in this act, are hereby defined as follows:

- (a) "Commodity" means any subject of commerce.
- (b) "Producer" means any grower, baker, maker, manufacturer, bottler, packer, converter, processor, or publisher.
- (c) "Wholesaler" means any person selling a commodity other than a producer or retailer.
- (d) "Retailer" means any person selling a commodity to consumers for use.
- (e) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any unincorporated organization.

Sec. 2. No contract relating to the sale or resale of a commodity which bears, or the label or container of which bears, the trade-mark, brand, or name of the producer or distributor of such commodity and which commodity is in free and open competition with commodities of the same general class produced or distributed by others shall be deemed in violation of any law of the District of Columbia by reason of any of the following provisions which may be contained in such contract:

- (a) That the buyer will not resell such commodity at less than the minimum price stipulated by the seller.
- (b) That the buyer will require of any dealer to whom he may resell such commodity an agreement that he will not, in turn, resell at less than the minimum price stipulated by the seller.
- (c) That the seller will not sell such commodity—
 - (1) to any wholesaler, unless such wholesaler will agree not to resell the same to any retailer unless the retailer will, in turn, agree not to resell the same except to consumers for use and at not less than the stipulated minimum price, and such wholesaler will likewise agree not to resell the same to any other wholesaler unless such other wholesaler will make the same agreement with any wholesaler or retailer to whom he may resell; or
 - (2) to any retailer, unless the retailer will agree not to resell the same except to consumers for use and at not less than the stipulated minimum price.

Sec. 3. For the purpose of preventing evasion of the resale price restrictions imposed in respect of any commodity by any contract entered into pursuant to the provisions of this act (except to the extent authorized by the said contract)—

- (a) the offering or giving of any article of value in connection with the sale of such commodity;
 - (b) the offering or the making of any concession of any kind whatsoever (whether by the giving of coupons or otherwise) in connection with any such sale; or
 - (c) the sale or offering for sale of such commodity in combination with any other commodity
- shall be deemed a violation of such resale-price restriction, for which the remedies prescribed by section 6 of this act shall be available.

Sec. 4. No minimum resale price shall be established for any commodity, under any contract entered into pursuant to the provisions of this act, by any person other than the owner of the trade-mark, brand, or name used in connection with such commodity or by a distributor specifically authorized to establish said price by the owner of such trade-mark, brand, or name.

Sec. 5. No contract containing any of the provisions enumerated in section 2 of this act shall be deemed to preclude the resale of any commodity covered thereby without reference to such contract in the following cases:

- (a) In closing out the owner's stock for the bona fide purpose of discontinuing dealing in any such commodity and plain notice of the fact is given to the public: *Provided*, That the owner of such stock shall give to the producer or distributor of such commodity prompt and reasonable notice in writing of his intention to close out said stock and an opportunity to purchase such stock at the original invoice price;
- (b) When the trade-mark, brand, or name is removed or wholly obliterated from the commodity and is not used or directly or indirectly referred to in the advertisement or sale thereof;
- (c) When the goods are altered, second-hand, damaged, or deteriorated and plain notice of the fact is given to the public in the advertisement and sale thereof, such notice to be conspicuously displayed in all advertisements and to be affixed to the commodity; or
- (d) By any officer acting under an order of court.

Sec. 6. Willfully and knowingly advertising, offering for sale, or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of this act, whether the person so advertising, offering for sale, or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby.

Sec. 7. This act shall not apply to any contract or agreement between or among producers or distributors or between or among wholesalers or between or among retailers as to sale or resale price.

Sec. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of

the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Sec. 9. All acts or parts of acts inconsistent herewith are hereby repealed to the extent of such inconsistency.

Sec. 10. This act may be known and cited as the Fair Trade Act.

The SPEAKER (interrupting the reading of the bill). Without objection, the further reading of the bill will be dispensed with.

Mr. ARNOLD. I object, Mr. Speaker.

The Clerk resumed the reading of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and discussion of the bill be had under the rules of the House and the bill, of course, to be subject to amendment.

Mr. CELLER. I object, Mr. Speaker.

The Clerk resumed the reading of the bill.

Mr. PALMISANO (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, this bill (H. R. 9873) is known as the Fair Trade Practices Act for the District of Columbia. I do not know that I would object to the passage of this bill for the District, but I do object to the way it is brought before the House. In committee on the last District day 10 members of the committee were present and it was brought out that hearings were held by a subcommittee on this bill and only one member of that subcommittee was present and no notice was given to interested people who wanted to appear. The bill was then reported back to the whole committee.

We find that the American Farm Bureau is opposed to this bill and that their membership in both Maryland and Virginia asked to be heard, but no further hearings were held by the subcommittee and these people had no opportunity to be heard.

In addition to this, the consumers of the District asked to be heard and they were not granted the opportunity. Under these conditions, 5 of the 10 members voted against reporting the bill and 5 members, including the chairman, voted to report it. Therefore the bill was killed. I had an engagement down in one of the departments and left at a quarter to 12 to fulfill the engagement and a member who had voted against reporting the bill was induced to change his vote, and the bill comes up here on the calendar today.

I do not think this is fair. I think this bill should have had proper hearings and that representatives of the American Farm Bureau in Virginia and in other States, as well as representatives of the consumers of the District, should have had an opportunity to be heard by the subcommittee.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. COX. Was any indication given the gentleman after the committee first took action that it would call it up again during the same day and at the same session of the committee?

Mr. ARNOLD. No; I was not so informed. I had in mind going to some other member of the committee who felt as I did and raising the point of no quorum should it be called up again, but I felt the committee, surely, on the same day would not ask to report the bill.

Mr. COX. And the gentleman had no notice that any further consideration would be given it?

Mr. ARNOLD. That is correct.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. BREWSTER. Do I understand that the gentleman was not present when reconsideration of the vote was had?

Mr. ARNOLD. That is correct. I had to go to the Department of Agriculture downtown and that reduced the

number of members to nine. Ten members were not a quorum. A member who had voted as I did was asked to change his vote, and did change his vote, and moved to reconsider. I had no previous notice of that.

Mr. BREWSTER. The gentleman will agree that if he had been there it would not have affected the result?

Mr. ARNOLD. I would have raised a point of no quorum if I had been present. Ten members did not constitute a quorum of the committee.

I presume all here are familiar with what the Fair Trade Practice Act does for the consumers of a certain area. In New York it was shown that after the Fair Trade Practice Act was passed in that State the price of 2,100 commodities advanced 10.8 percent. The commodities affected by this are controlled by corporations, and the records show that of the ownership of all corporations reporting from every part of the Nation, one-tenth of 1 percent of them own 50 percent of the assets of all, and of all corporations reporting, less than 5 percent own 85 percent of the assets of all of them; and that of all corporations reporting from every part of the country, one-tenth of 1 percent of all of them own 50 percent of the net income of all of them.

This is a bill that seeks to increase the profits of this one-tenth of 1 percent of the corporations that control these items, the price of which it is intended to stabilize, and fix at a sum under which a retailer and a wholesaler cannot cut.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. COX. In other words, this is an effort to gouge the consumer.

Mr. ARNOLD. That is true.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. PALMISANO. Mr. Speaker, I yield 15 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I opposed as vigorously as I could the Miller-Tydings Act, which is a price maintenance and price-fixing act; and by the same token of reasoning I must oppose this same principle involved in this current bill, as far as the residents of the District of Columbia are concerned. In the time allotted to me I cannot go into all of the details that actuate my opposition, but I call attention of the Members of the House to the fact that in bills of this character, which are contrary to principles of Democracy and the Democratic platform, the consumer is always gouged. In common parlance, the consumer gets the dirty end of the stick. In 1936 the Democratic platform announced as follows:

We will act to secure to the consumer fair value, honest sales, and a decreased spread between the price he pays and the price the producer receives.

The effect of legislation of this character in every single State where it has been enacted is, beyond peradventure of a doubt, contrary to this doctrine of the Democratic platform and increases instead of decreases spread between producer and consumer. Some Democrats come here and have the temerity to fly in the face of that announced principle which sought to protect the consumer. Now we are doing everything in our power to hurt the consumer. When we passed the Miller-Tydings Act, we simply stated that we would leave unmolested any State that would adopt a price-maintenance statute. We simply absolved those who indulge in price maintenance under State statutes from prosecution under our antitrust monopoly acts. We simply gave them immunity, but we did not enunciate any doctrine, we did not espouse any cause that sought to fix prices. As far as I can remember, the Democrats in this country in season and out of season have done all in their power to prevent price fixing, to prevent price maintenance, which has a tendency, as we all know, to build up and foster monopoly. Now the Committee on the District of Columbia comes here and wants the members of Congress to espouse this principle of price maintenance, as has been done in numerous States. The President in accepting and signing the District of Columbia appropriation bill in the last session, roundly denounced, and I use those words advisedly, those who had

the temerity, who had the cheek, to foist onto an appropriation bill in the Senate the so-called Miller-Tydings Act. The President never accepted, and so declared, the Miller-Tydings Act, and would not have signed the appropriation bill. Remember trickery, and no other word can describe the performance, by chicanery, they saddled onto an appropriation bill, which had to pass, which had to have the signature of the President, the Miller-Tydings Act in the Senate, and the President roundly denounced those who were responsible for that performance.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. VOORHIS. The gentleman feels, and I agree with him as to the way the Miller-Tydings Act was passed, that if we pass this bill now the House would be definitely going on record in favor of this principle.

Mr. CELLER. There is no doubt about that, and that is what I am inveighing against. I do not want this House to go on record as espousing price fixing and price maintenance.

Mr. VOORHIS. Neither do I.

Mr. CELLER. And I fervently hope that the Senate will not accept it if we pass it; and further, I hope that the President will not accept it and will veto it if it does pass the Senate. I am confident that if his heavy strictures laid upon the Miller-Tydings rider means anything he would veto this bill if it passed.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. COX. It has been my experience that these fair trade agreements are merely a device hit upon to enable combinations to operate in violation of the antitrust laws, or, in other words, to take them out from under the provisions of the antitrust laws.

Mr. CELLER. There is no doubt about that, and I say further, why not wait until the conference can get into swing that the President suggested with reference to a study and a revamping of the antitrust and monopoly statutes.

The distinguished chairman of my committee, the gentleman from Texas [Mr. SUMNERS], has offered a bill in pursuance of the suggestion made by the President; and Senator O'MAHONEY, of Wyoming, has done likewise in the other Chamber. So six Members of both Houses, three from this House and three from the other, and departmental heads will get together to study this whole proposition. Why should we do it piecemeal? Why should we come forward at this very late hour with the session coming to a close to adopt a bill which flies in the face of orderly procedure, logical procedure, procedure that should develop something constructive? I say wait, do not pass this bill now; wait until we can have the advantage of the deliberations of the men who will be appointed by the Speaker, who will be appointed by the Vice President, who will be appointed by the President to get together and study this proposition. Then we shall have something worth while; then we can come forward with a bill that we can stand by; then we shall at least have had the benefit of the study of these men.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ARNOLD. At least the gentleman thinks we should not pass a bill that has had only one hearing before a subcommittee with only one member present?

Mr. CELLER. Unquestionably so. This trouble goes back to the State legislatures who have railroaded through similar legislation. There is a monopoly called the National Retail Association of Druggists who have been gouging the public by elevating, unduly, prices on all advertised brands far out of due proportion.

I may say to the gentleman from Georgia that he raised a very interesting question when he stated that these bills were merely subterfuge to enable groups financially qualified, entrenched in tremendous power, financial and political, to get together and form combinations in restraint of trade. Who suffers? You suffer, I suffer, and the rest of the consuming public throughout the Nation suffers.

Let me show you how that is worked. Under these price-maintenance statutes any manufacturer can make what is

known as "vertical" agreements. A is a manufacturer, B is his competitor, and C is his competitor. A makes agreement with a wholesaler that the wholesaler shall charge a certain price and cannot sell below it. The wholesaler in turn makes the agreement with the retailer that the retailer must charge a certain price and cannot go below it, all originating from A. That is a "vertical" contract. B then knows exactly what those contracts are, what those price-maintenance arrangements are; they are public property. He makes the same arrangement with X and Y, his jobber, and the latter's retailer; and C does similarly with L and M. So you have three competitors making agreements which if they made them together, namely A, B, and C, would be violative of the Antitrust Act. They cannot make a "horizontal" agreement amongst themselves, A, B, and C, but they can make this other agreement whereby their product shall be sold at such and such a price. The "horizontal" agreement would be violative of the Clayton Act and violative of the Sherman Act; but you let them do the very same thing when you pass this kind of statute. A makes the vertical agreement with his distributors and retailers; B makes the same agreement with his distributors and wholesalers and retailers; and C makes the same agreement. In effect it is exactly as though A, B, and C got together and violated the Sherman law, only you throw around them the imprimatur of approval, you grant them immunity when you pass a statute of this character; and that is why I am opposed to it. I hope that as a result of the deliberations today and of the debates that you will oppose it.

I call attention to the fact that this bill involves the principle of a national policy which is of far wider consequence than ordinarily attaches to a local District of Columbia bill. The Members may not realize it, but they are being asked through this bill to place the Government on record as favoring the principle of price fixing on articles of everyday use. This is the reversal of the policies of the Federal Government for many years past. It is a subject which certainly merits careful study by congressional committees and not small, haphazard discussion in the closing days of the session.

Just imagine what is going to happen in the District of Columbia. Incidentally, I may say that the Federal Trade Commission has already summoned a number of liquor dealers for antitrust violations. I am afraid if you pass this bill they will be absolved. I have before me a release given to the afternoon papers of May 6, 1938, where the Federal Trade Commission issued complaints against six Washington, D. C., liquor wholesalers, the wholesale and retail dealers' association, and the secretary of the retail association, charging all of them with entering into agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia and the maintenance of uniform retail prices, discounts, and mark-ups by means of what? Listen: Boycotts, blacklists, and through coercive measures.

Pass this bill and you stay the hand of the Federal Trade Commission, because you say that the blacklist, these coercive measures, and these boycotts are legal. That is the legislation you are going to enact.

When the Miller-Tydings resale price-maintenance bill was before the Congress last year one of the principal arguments urged for its adoption was the fact that the Miller-Tydings bill did not call upon Congress to take any position on this matter of broad public policy. It was pointed out by sponsors both in the House and in the Senate that the Miller-Tydings bill merely enabled the various States that desired to adopt resale price-maintenance legislation to have a free hand in applying same within their States. It was repeatedly emphasized that Congress was not passing on the question of public policy involved in resale price maintenance and was not being asked to reverse its policy in this respect of many years' standing.

But today we have before us a demand that we reverse public policy on this broad and important principle. We are asked to go on record as favoring this weakening of our antimonopoly laws and turning over to manufacturers and associations of retailers the full and free right to fix the sell-

ing prices which consumers are to be charged for the ordinary necessities of everyday life. It is not even seriously denied by the proponents of this bill that its effects would be to raise prices to the consumer. Any such denial would be ridiculous. Actual experiences under these laws certainly prove the contrary. I will present a few figures on this point a little later in my discussion.

President Roosevelt urged Congress not to pass the Miller-Tydings bill, in a letter which he addressed to the Senate under date of April 24, 1937. This letter was written following a report which the President received from the Federal Trade Commission opposing this type of legislation. The President emphasized one sentence in the Commission's report by quoting it in his letter.

There is great probability—

Says the Commission—

that manufacturers and dealers may abuse the power to arbitrarily fix resale prices by unduly increasing prices, resulting in bitter resentment on the part of the consuming public, especially in this period of rising prices.

The President went on to say the Miller-Tydings bill "should not, in my opinion, receive the consideration of Congress until the whole matter can be more fully explored."

This admonition from the President came, you will note, on a bill which did not commit Congress to the policy of price fixing. How much more important is it, then, for us to give thorough consideration before taking action on a bill which does definitely commit Congress to the policy of resale price maintenance as embodied in the present Palmisano bill.

With Congress about to set up a joint commission to study monopoly methods and price fixing, and to recommend legislation to remedy the evils therein, it is nothing short of ridiculous for Congress to take final action at this time upon the bill now before us. At the very least this bill should be recommitted and held for further study. My information is that only 2 hours of hearings were held on this bill and a large number of consumers organizations and other interested parties who desired to be heard were not given any opportunities to be heard. Such hearings as were held have not been printed and no opportunity exists for Members of Congress to gain a clear understanding of just what the bill involves.

Much has been made here, by the proponents, of the fact that some 43 States of the Union have enacted this type of legislation in the last 2 or 3 years. This is urged upon us as reason for Congress taking similar action for the District of Columbia. I want to say to you that merely because a number of State legislatures have taken foolish and short-sighted action at the behest of certain highly organized groups of retailers, is no excuse for the Federal Congress taking similar foolish and short-sighted action.

Many Members of this House have also served in their State legislatures. They know how easy it is for a highly organized special interest to lobby through a bill having a high-sounding and misleading name such as "fair-trade bill," particularly when consumer groups have no opportunity to be heard in opposition to the bill. After the first 33 States had passed bills similar to this one, a check was made to determine how many had held public hearings at which consumers could register their views. A careful check showed in only six cases had any public hearings of any kind been held, and in those six cases very few consumers groups were represented. The fact of the matter is that these bills were lobbied through most of the State legislatures very quietly and the consumers groups, farm groups, and others had no idea of what was involved until the laws were on the statute books. Since that time the two largest national farm organizations have adopted vigorous resolutions demanding the repeal of the Miller-Tydings Act, and the resale price maintenance laws in the various States. Numerous State farm organizations and consumers groups have likewise adopted such resolutions. I desire to place some of these resolutions in the record at this point.

As a sidelight on how these price-fixing bills got through the State legislatures, I want to read a brief item which

appears in the May 23, 1938, issue of one of the leading drug trade papers, viz, *Drug Topics*. This shows how the organized druggists are going at it to force this price-fixing bill through the State Legislature of Alabama, one of the few States that has so far resisted this bill. I read the article from *Drug Topics* of May 23:

ALABAMA MEN DINE LEGISLATORS

BIRMINGHAM, ALA.—The Birmingham Retail Druggists Association lined up all 14 candidates for the legislature from Jefferson County and exacted a pledge from each of them in favor of a fair-trade act at a recent luncheon meeting. Lehman Alley presided and V. C. Woods introduced the candidates.

Seven of the fourteen are to be elected. Regardless of whom is elected, the country will have a solid delegation in favor of fair trade.

The association's fair-trade committee, composed of E. W. Gibbs, Paul Tarrant, and N. G. Hubbard, are pulling wires to get fair-trade friends elected from the legislature from other counties. The measure lost by one vote in the last legislature but should go over next January, especially if rural legislators can be gotten in line, it was pointed out.

I also call attention to a report of the Connecticut grand jury investigation made on May 19 of this year, which resulted in the arrest of 27 prominent officials and politicians in that State on May 20. One section of this grand jury report pointed out in detail how large sums of money were improperly used by city and State officials and political leaders to lobby through the legislature of that State the fair-trade bill sponsored by the Connecticut Retail Druggists Association. Very significantly the grand jury also points out that the offices of the State pharmacy commission was the meeting place and headquarters of the clique of officials and lobbyists who put this so-called fair-trade bill through the Connecticut State Legislature.

I think these few references, ladies and gentlemen, will suggest to you that not too much weight should be given to the fact that a large number of the States now have this sort of legislation on their books. As soon as the consuming public wakes up to the realization of the deal that has been put over on them, we will see a revulsion that will wipe these laws off the statute books. Members of Congress may then be very glad that they had no part in enacting legislation of this kind.

Proponents of this type of legislation always hide behind the plea that all they desire is protection against "loss leader selling." Fellow Members of the House, I say to you in all earnestness that, in my opinion, this statement on the part of the proponents is far from being sincere and honest. The reason I make this statement so positively is because upon several occasions a very simple amendment has been offered the proponents of the bill which would definitely change it from an actual price-fixing bill to an antiloss leader bill, but the proponents have repeatedly refused to accept this amendment. They do not want an antiloss leader bill. They want not only a price-fixing but a profit-fixing bill, as I will show you a little later. It is even worse than that—these bills, together with the Miller-Tydings bill, will completely break down our antimonopoly laws so far as price fixing is concerned.

And if the small, independent druggist—the man who is howling loudest for this bill—was only wise enough to realize it, he would see that in the long run this legislation would build up for his chain-store competitor. The chain-store druggists are actively supporting this bill. They are smart enough to see that when the consumer is forced to pay higher prices for standard-brand drugs that makes it easier for the chain drug store to sell its own private brands. Give the chains a few years of that sort of price encouragement and protection on their private brands and then where will the small, independent retailer be with his high-priced standard brands? One big department store in New York City reported that following the enactment of the Feld-Crawford Fair Trade Act in New York its sales of private-brand drugs and cosmetics jumped more than 60 percent.

This terrible short-sighted scheme not only makes the consumer pay more, but in the long run will injure the small, independent retailer.

Now, let us see what would happen right here in the District of Columbia if this bill should become a law. Please do not forget that the prices set under this law are the actual selling prices, and not merely "floor" prices or antiloss leader prices. I have taken the trouble to look up the contract prices on a number of drugs and cosmetics and then to compare these prices with the current prices in the downtown chain drug stores. And when I say "chain drug stores" I do not mean the so-called cut-rate stores. In the cut-rate stores the prices are considerably lower. I find, for instance, one item like Eno's Effervescent Salt, which the popular priced chain drug stores are selling at 77 cents, would, under this law, have to be advanced to 89 cents, which is the contract price in effect wherever this law is on the State statute books. This is an increase of 15.5 percent which the consumer would have to pay for no good reason, since at the 77-cent price the druggist is making an excellent profit. Take another item widely used, viz, Hinds Honey and Almond Lotion. This product now sells at 32 cents in the average downtown popular-priced drug store, but under the contract price it would have to sell for not less than 41 cents. This is an increase of 28 percent which the consumer would have to pay. I could mention other items, such as Dr. West's Tooth Paste, on which the increase would be more than 50 percent, and on one tooth powder the increase runs up to 62 percent. And these increases are in the city of Washington where prices are notoriously high without any price-fixing law in operation.

The only place where increases in prices due to these so-called fair-trade laws have been systematically compiled is in New York City. A very careful study was made from March 1937 to March 1938 covering 3,500 items on which prices were fixed under the Feld-Crawford Act. A much greater number of items were price fixed, but the present survey was limited to 3,500 items, and from this 3,500 items all items were eliminated which had been sold at less than cost prior to the enactment of the Feld-Crawford Act. On the basis of this study it was shown that the average increase in cosmetic prices was 8.6 percent; on drugs, 15.5 percent; on liquors, 11.8 percent; on books, 17.4 percent, and on miscellaneous items, 17.1 percent. This big increase in drug prices took place during the same period that the wholesale prices of drugs and chemicals to manufacturers dropped approximately 11 percent, according to the reports of the Bureau of Labor Statistics.

You, as consumers, will be interested also to learn just how high the margin of profit is on these goods after these price-fixing and profit-fixing schedules went into effect. The average gross margin on price-fixed cosmetics is now 65 percent on cost, or 39.5 percent of the selling price; on drugs 55 percent on cost, or 35.6 percent of the selling price; on liquors, 54 percent on the cost, or 35.3 percent of the selling price; on books, 70 percent on the cost, or 41.2 percent of the selling price; and on miscellaneous items, 62 percent on the cost, or 37.2 percent of the selling price.

Ladies and gentlemen, we have arrived at the day in many States where under these laws a retailer may be fined if he dares to sell these articles at a lower percentage of gross profit than I have indicated above. Does this appeal to you as good common sense and good national policy? I am sure the answer of any thinking person must be "no."

And do not overlook this point: These fixed prices are charged the poor "east side" consumer who pays cash and carries the articles away with him just the same as they are charged the well-to-do consumer who may have a charge account and ask for delivery service. This sort of legislation makes no allowance for the different classes of service and different types of stores. This point is well stated by Dr. E. T. Grether, of the University of California, who made a careful study of the effects of this same sort of legislation in the State of California, and who states—I quote:

Without doubt those consumers, who wish to buy standard drug products with a minimum of professional attention and merchandising services, are harmed by resale price maintenance, except insofar as they are able to obtain equivalent quality under private brands.

On this question of cost Dr. Grether in his report comes to the following conclusion:

There can be no doubt that resale price maintenance under the California Fair Trade Act has made for higher prices on advertised products sold through cut-rate and chain-store institutions.

The Federal Trade Commission, on May 6 of the present year, issued a complaint against six Washington, D. C., liquor wholesalers, and wholesalers' and retailers' trade associations in this city, and the attorney and secretary of the association, charging all of them with entering into "agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia through means of uniform resale prices, discounts, and mark-ups, by means of boycotts, blacklisting, and other coercive measures."

The Federal Trade Commission was able to bring this complaint and prosecute same in the District of Columbia for the simple reason that no such law is in effect in the District of Columbia as is now proposed to be placed on the statute books. With this law on the statute books, the Federal Trade Commission would be compelled to quash its proceedings just as it has been compelled to do in a large number of other cases throughout the United States in those States where resale price-maintenance laws are now in effect. In other words, the Federal Trade Commission would be compelled to give up all efforts to protect the consumers and honest retailers from such coercive measures as are cited in the above complaint of the Federal Trade Commission. In fact there would be no need for such coercive measures on the part of the wholesalers' and retailers' associations since this law would then permit these groups to do legally exactly what they are now doing illegally, namely, enforce fixed prices and profits.

The fact of the matter is, ladies and gentlemen, that this is the real purpose of these so-called fair trade acts.

These bills purport to be for the protection of the manufacturers' trade-marks and goodwill, and it was only on that basis that the Supreme Court was able to uphold the constitutionality of such laws. But who is it that appears in support of these bills before the State legislatures and the Federal Congress? Not the manufacturers. Many manufacturers are, in fact, opposed to this bill, although they hesitate to come out openly because of the retaliatory action that has already been taken in a number of instances by retailers' associations. I could give you some very interesting and very damaging illustrations of this sort of retaliatory action if time permitted.

Certain highly organized retail groups, notably the druggists, booksellers, and the liquor dealers and radio dealers in a few cities, have turned this law around from what on its face would appear to be its purpose—that of protecting the manufacturer—and have changed it into a coercive weapon with which to force manufacturers to fix retail selling prices at a price sufficiently high to guarantee the profits they demand. In the case of the druggists this goal of increased profits has been definitely fixed at one-third of the selling price, or 50-percent mark-up on the cost. This has been printed in their official organs as the purpose of these price contracts, and by one means or another they have been able to induce many manufacturers to increase the profit margin to that point. Last fall, when this group took steps to demand these price-fixing contracts on what amounted to a Nation-wide basis and with uniformly high profit margins, it became my duty, I felt, to call this attempt to the attention of the Federal Trade Commission. Because of its interstate character, this illegal action would have fallen under the jurisdiction of the Federal Trade Commission. But there is nothing to prevent this sort of action today within State limits in those States where the so-called fair-trade acts are in effect.

The very name "fair trade act" is indicative of the campaign of misrepresentation and misunderstanding that has accompanied the efforts to write these bills into law. There is nothing "fair" about this law. It is decidedly unfair to the

consumer and violates all our principles of public policy against price fixing, heretofore held highly important by both the Federal Government and the several State governments.

I repeat that the sponsors of this bill, despite all their protests, do not want a mere anti-loss-leader bill; they demand a real price-fixing bill. The proof of this lies in the fact that the opponents of this bill, including myself, have on several occasions offered to withdraw our objections if a simple amendment were added providing that any minimum price fixed under the contracts legalized by this law shall not be higher than invoice or replacement cost plus 6 percent. That would be a real anti-loss-leader bill and at the same time would protect the consumer against needlessly high prices. But the proponents of this bill have constantly refused to accept this amendment. Therefore, they stand convicted of demanding not merely an anti-loss-leader bill but a real price-fixing bill.

I feel sure that this Congress, upon the eve of undertaking a study of price fixing, as well as other monopolistic practices, will not go on record in favor of the principle of price fixing by supporting this bill. This bill should be recommitted for further careful study by both Houses of Congress.

Herewith find deadly effect in the District of fixed prices on certain drug sundries:

	Compulsory contract price	Prices in chain drug stores, downtown (not cut rate)	Minimum percent of increased price required
Eno's Effervescent Salt, large size	\$0.89	\$0.77	15½
Baume Bengue	.59	.50	18
Vick's Vaporub, 1½ ounces	.27	.24	12½
Agarol, 16 ounces	1.09	.98	112
Ipana Tooth Paste	.39	.28	392
Dr. West's Tooth Paste	.20	.13	538
Calox Tooth Powder, 4 ounces	.39	.24	62½
Eskay's Neuro Phosphates, 16 ounces	1.69	1.38	152
Burroughs-Wellcomes Three Bromides (25)	.85	.69	23
Mennen's Talcum Powder, 4 ounces	.19	.17	11¼
Johnson & Johnson Baby Powder, 10 ounces	.39	.29	34½
Hind's Honey and Almond Lotion, 4½ ounces	.41	.32	28
Cutex Nail Polish, ¾ ounce	.31	.21	47½
Cutex Polish Remover	.31	.21	47½
Gem Razor Blades, single edge (10)	.53	.48	10½

[Resolution adopted by National Grange November 18, 1937]

REPEAL OF MILLER-TYDINGS RESELL PRICE MAINTENANCE ACT

Whereas the Miller-Tydings Resale Price Maintenance Act passed in the closing days of the last session of Congress, together with the so-called fair trade acts recently enacted by many State legislatures, not only weaken the antitrust laws, but enable manufacturers and distributors to fix prices without State or Federal supervision of any kind whatsoever, and in addition make it illegal for articles to be sold at less than the prices fixed; and

Whereas these State laws were enacted in most cases without public hearings, and with little or no understanding on the part of consumers as to their price-fixing and price-raising effects, and the Miller-Tydings Act was passed by subterfuge and in direct opposition to the expressed wishes of President Roosevelt, the Federal Trade Commission, all the leading farm organizations and many large consumer's groups: Therefore be it

Resolved, That the National Grange urges the immediate repeal of the Miller-Tydings Act and recommends to the State granges that they move to secure the repeal of the equivalent State laws erroneously called State "fair trade acts."

Resolution adopted by the Associated Women of the American Farm Bureau Federation, December 11, 1937:

"We demand the repeal of the Miller-Tydings Act ordinarily called the Federal Resale Price Maintenance Act."

The American Farm Bureau Federation on December 15, 1937, endorsed the resolution adopted by the Associated Women and, in addition, adopted the following resolution:

"We favor legislation that will more effectively regulate industry and labor, to the end that monopolistic practices shall be eliminated. We urge that Federal and State laws legalizing resale price maintenance be repealed."

Resolution adopted by Illinois State Grange on December 16, 1937:

"It is hereby resolved by the committee that we insist upon the repeal of the Miller-Tydings Act passed by the last session of Congress."

"We move to secure the repeal of this act, erroneously called the State 'fair trade act.'"

"Whereas, it is the conclusion of the Illinois State Grange in annual session at Sycamore, Ill., on December 16, 1937, that such legislation is unwarranted, dangerous, and opposed to the best interests of farmers and the public in general: Therefore be it

"Resolved, That the Illinois State Grange go on record as being opposed to the Miller-Tydings Act."

Resolution adopted by the Illinois Agricultural Association, January 27-28, 1938:

"The Fair Trade Act of Illinois, as passed by the assembly at its fifty-ninth session, has no justification in our economic system. It contravenes every rule of reason and violates the long-established principle of law prohibiting unreasonable restraints of trade and illegal monopolies. This measure should be repealed at the next succeeding session of the general assembly."

Maryland State Farm Bureau adopted at its annual meeting in January 1938 a resolution condemning the Miller-Tydings Act and the Maryland so-called "fair trade act," and demanding their repeal.

FEDERAL TRADE COMMISSION, Washington, May 6, 1938.

The Federal Trade Commission has issued a complaint against six Washington, D. C., liquor wholesalers, a wholesale and a retail dealers' trade association in that city, and the secretary of the retail association, charging all with entering into agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia through maintenance of uniform resale prices, discounts, and mark-ups by means of boycott, blacklisting, and other coercive measures.

Wholesale dealers named respondents are: Milton S. Kronheim & Son, Inc., 3301 K Street NW.; Marvin & Snead Sales Corporation, 219 G Street NW.; Phillip Horwitz and Leon Samet, trading as Roma Wine & Liquor Co., 1006 Fifth Street NW.; International Distributing Corporation, 917 E Street NW.; Washington Wholesale Liquor Corporation, 1119 Twenty-first Street NW.; and Globe Distributing Co., Inc., 2410 Eighth Place NE.

The respondent associations are District of Columbia Exclusive Retail Liquor Dealers' Association, 829 Woodward Building, and Wholesale Liquor Dealers of Washington, Inc., Investment Building, both engaged in attempting to obtain beneficial national legislation and local regulations, in enforcing observance of price maintenance policies and in promoting other business and member welfare interests. Manuel Davis is named respondent both individually and as secretary of the retail association.

According to the complaint, the respondents' price-maintenance program was made effective through unlawful agreements among the wholesalers and among the retailers, each acting separately and through their respective trade associations, and between the wholesale group and the retail group and their respective associations cooperating to bind the retailers and wholesalers and their associations to the maintenance of specified resale prices, discounts, and mark-ups.

Pursuant to this policy, it is alleged, the wholesalers, acting through their association, attempted to enforce their program by the following methods: (1) Reinstating as their customers price-cutting retailers to whom they had theretofore refused to sell, upon the agreement or understanding that the suggested minimum resale prices, discounts, or mark-ups be thereafter maintained; and (2) circulating and threatening to circulate among retailers, wholesalers, and other distributors reports or lists of retailers who have cut prices and reports of wholesalers who have continued to sell liquors to such price-cutting retailers.

In furthering the wholesalers' resale pricing program, Milton S. Kronheim & Son, Inc., and Globe Distributing Co., Inc., are alleged to have circularized the retail trade in the District of Columbia and to have requested all of their retail customers to enter into signed agreements to maintain their suggested resale prices. Kronheim & Son is alleged to have obtained almost 400 retailers' signatures to these agreements and to have refused to sell any retailer who would not sign the "Kronheim franchise agreement." Both the Kronheim and Globe companies issued lithographed "sub-franchise" certificates to retailers signing the agreements, according to the complaint.

District of Columbia Exclusive Retail Liquor Dealers' Association, acting directly and through the agency of its 150 members, who operate licensed retail stores selling packaged liquors, and Manuel Davis, individually and as association secretary, are charged with agreeing among themselves and with the wholesalers to perform and with having performed certain acts and practices such as (1) boycott and threats to boycott products of wholesalers permitting liquors to be sold to price-cutting retailers; (2) notification and request made through resolutions and joint action of committees to distillers and their distributors that, under penalty of concerted boycott and threats thereof by retailer association members, such distillers and distributors should supply only those District of Columbia wholesalers who comply with the respondents' price-maintenance program; and (3) notification of District of Columbia wholesalers not to supply price-cutting retailers under threatened penalty of boycott.

Davis is alleged to have obtained information concerning retailers, reporting instances of price-cutting on their part and making demands on distiller-sellers and respondent wholesalers that they

blacklist such price cutters, and, acting individually and on behalf of the retail association, is alleged to have enforced such demand with boycotts and threats thereof upon those distiller-sellers and respondent wholesalers who refused to maintain the retail association's price program.

The respondents' agreements, combinations, and conspiracies are alleged to have resulted in obstruction of trade, suppression of competition among wholesalers and retailers, prevention of the sale of liquors at such lower prices as dealers might deem adequate and warranted by their respective selling costs, and elimination of the advantages in price which purchasers would otherwise obtain from a free and natural flow of trade.

The respondents' practices are alleged to constitute unfair competition and unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act.

Twenty days are allowed for answering the charges.

[From the report of the grand jury indicting 27 persons in connection with alleged misappropriation of funds of city of Waterbury, Conn.]

The disclosures in connection with the corrupt activities of (city) Lieutenant Governor Hayes and Comptroller Leary in connection with the so-called steam sterilizer bill naturally led the grand jury into a broader and more general inquiry respecting the activities of paid lobbyists in the general assembly. In the 1937 session, among the bills in which Comptroller Leary had personally more than ordinary interest was the so-called fair trade bill. He gave active support to this bill, presumably because of his private business interests, such as Waterbury Brewing Co., the Diamond Ginger Ale Co., and his purported chain-store interests. From the evidence presented to this grand jury, it is reasonable to believe that the large sums of money paid to Charles E. Williamson and Harry E. Mackenzie by the city of Waterbury in 1937 were, in part at least, designed by Comptroller Leary to secure the influence and support of these political leaders in effecting the passage of this bill.

FAIR TRADE BILL BACKED BY DRUGGISTS

This fair trade bill had also as a particular sponsor the Retail Druggists' Association. This association, through solicitations from its members, collected a fund of approximately \$13,000, practically all of which was spent in the 1937 session in securing the passage of the Fair Trade Act. Of this sum, approximately \$6,000 was paid to Charles E. Williamson, who divided it equally with Harry E. Mackenzie. The balance of the fund was paid to various other lobbyists and attorneys in smaller amounts for the purpose of obtaining their influence and insuring passage of the bill.

As the investigation into the general lobbying situation developed, it became apparent that with each convocation of the general assembly in recent years there has been a simultaneous convocation of lobbyings, increasing in number and power as the years have passed and demanding and receiving exorbitant fees for so-called services in engineering the passage or defeat of proposed legislation. Active in this group during the past two sessions has been Charles E. Williamson, prominent politically and the holder of an office within his party. In addition to a total of \$58,400 received by him from the city of Waterbury in 1935 and 1937 for his lobbying services, of which \$29,200 was distributed to Comptroller Leary, \$14,600 to Harry E. Mackenzie, and \$14,600 retained by Williamson, as detailed heretofore, Williamson received from the several private interests which he represented during those two sessions a total of approximately \$40,000. Out of this total of \$40,000 he distributed during the two sessions in question very substantial sums to Daniel J. Leary and smaller amounts to certain other persons. In only very rare instances were these distributions made by check, it being apparently the accepted custom among the lobbyists to make their splits in cash and without preserving any record thereof. It was the source of considerable surprise to this grand jury to learn that Williamson and Mackenzie were permitted the use of the offices of the State pharmacy commission as a meeting place and headquarters, and it was there that many of the distributions, including payments from the city of Waterbury, through Comptroller Leary were made.

Equally prominent politically and equally active as a lobbyist was Harry E. Mackenzie, of Bethel. During the 1935 and 1937 sessions the income from his lobbying activities amounted to approximately \$50,000, which sum included the \$14,600 received from the city of Waterbury. Apparently in most instances Mackenzie was the recipient of distributions from others, it being his practice to conceal his financial interest in the passage or defeat of legislation. In relatively few cases was Mackenzie's employment directly by the person or corporation interested in the passage or defeat of legislation. In relatively few instances did he make any distribution out of the sums received by him from others. During both sessions he was active in behalf of the Druggists' Association and at the same time was receiving a salary of \$3,900 a year from McKesson, Robbins Co., plus an expense account of approximately \$3,000. It was primarily through his efforts that the offices of the pharmacy commission were secured as a meeting place and headquarters for himself and Williamson and Daniel J. Leary. As in the case of Williamson, practically all payments to Mackenzie were in cash, apparently for the purpose of concealing the amounts and recipients of various splits.

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, first let me remark very briefly upon the subcommittee procedure in the District of Columbia Committee. Every member of the committee knows that the District Committee meets at 10:30 on Wednesday morning. That is carried in the RECORD. Everybody knows when a subcommittee is going to meet. It is not the province nor the responsibility of the chairman of any subcommittee to come around to your office and get you by the hand and say, "Will you please come over for a meeting?" Your responsibility is just the same as that of any other member of the subcommittee. When a Member is not there or if a Member has to attend another committee meeting, is that any reason why one man or even two men on a subcommittee should not function upon the business in hand?

Mr. Speaker, I have served on this committee since I became a Member of Congress. I did not ask for the assignment. The leadership on my side of the aisle assigned me to that committee and I have gone to quite a few meetings when there was only one man present, lots of meetings when there were only two and lots of meetings when the chairman and myself were the only 2 out of the 21 members attending. We cannot let the business of the District of Columbia stand still because Members are indifferent to their responsibilities to the Nation's Capital. So when they talk to you about inadequacy of the hearings, inadequacy of the testimony, and so forth, there is another side to the story and too often it is the indifference of the Members themselves rather than anything else that is responsible for that sort of thing.

With respect to the instant bill, may I say that this thing has been bouncing around here for some time. It is like the lunacy bill we have on the agenda this morning. I sat in on lunacy hearings 5 years ago in the District of Columbia. There have not been extensive hearings recently, but they were not necessary. As a matter of fact, we know something about what is going on and certainly a reasonably capacious mind ought to be able to carry over from one session to another the testimony and factual data that may be submitted from time to time. So when you talk about the fair-trade bill that is pending, every member of the House Judiciary Committee knows plenty about that bill. When we had that long discussion on the Miller-Tydings bill some time ago, it came not from the District Committee but from the Judiciary Committee of the House. This thing was ventilated in proper degree at that time.

What is behind the fair-trade bill? First of all, may I say that 42 States have fair-trade acts. My State has it, Michigan has it, California has it, Massachusetts has it, Wisconsin has it, and what we are seeking to do today is to place the District of Columbia on a parity with the other States, including the adjoining States of Virginia and Maryland. That is the fact. I do not care what kind of argument or contention is advanced, that is the fact.

My friend, the gentleman from Nebraska [Mr. McLAUGHLIN], who acted as chairman of a subcommittee of the Judiciary Committee, will bear me out and can substantiate my statement, and I hope he will take the floor very briefly to expatiate on the subject.

What is behind the bill? I found out what it was years ago while driving a grocery wagon. I remember when a salesman would come into a grocery store, he would try to sell the proprietor of an independent store a bill of goods, trade-marked goods, if you please. The merchant would say, "No, I do not want any." That was true whether it was breakfast food, soup, or anything else. "Why not?" "Because there is a group store down the street that is selling the article for a price cheaper than I can buy it from you." The salesman would say, "I am sorry, but we cannot do anything about it. There is no legislation whereby we can compel group stores to sell this at a price so that the independent merchant can compete."

Out of that difficulty there arose a wave of opinion in the country that carried on, that was articulated through drug, hardware, and other retail enterprises, with the result that

there are fair-trade acts on the statute books of 42 States today.

What does this act do? It says in substance that the manufacturer or producer can contract with the retailer and tell him, "You will have to sell this product for a certain price."

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Speaker, they say, "You will have to sell it for this price." There might be exceptions. Suppose an officer of the law seizes those commodities? All right, we will make an exception in that case.

Suppose these goods are on the shelf of a merchant who goes into bankruptcy. All right, we will make an exception. Suppose he has to sell out for emergency reasons. All right, we will make an exception. There is the substance of the Fair Trade Act as it applies in 42 States of the Union, so what we are asking you to do today is put the District of Columbia on a parity with those States.

As to whether Congress took cognizance of it before, a case came from California and Illinois to the Supreme Court, and the Supreme Court held the State fair-trade acts constitutional. However, there was a twilight zone that had to be covered because of the interstate commerce feature, and that is when the Miller-Tydings Act was enacted by this House and by the Senate and signed by the President of the United States.

There is the whole case in a nutshell. I have no quarrel with anybody about the underlying theory. If a man is opposed to the whole theory of price maintenance, it is perfectly all right. But you know and I know that if they are going to conduct a Nation-wide study of the subject it will be 2 or 3 years before the results of that study will become manifest and can be translated in terms of legislation. Shall we wait all that time to give the District of Columbia the same benefits that have been conferred upon your State and my State by the chosen representatives of the people convened in the legislatures of your States? You can dismiss all this ballyhoo that has gone on with respect to this matter. We have fussed over this a long time. There is the issue, and I suggest to you that you support this bill and say to the people and to the merchants here, "We will put you on a parity with the rest of the States." Then, if the Congress in its wisdom or the President in his wisdom seeks to put an end to what they allege are monopolistic practices, let us start from a common threshold and bowl them all over, but not hold the District of Columbia in abeyance while all that is going on. That is the issue.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, hardly anything can be added to what the gentleman from Illinois has said. Three years ago last month I introduced a resolution which provided for an investigation of the American Retail Federation, which was then organized. This resolution was later amended. At the outset I was appointed chairman of the committee to carry out the provisions of the resolution, but, taken sick, I resigned as chairman, and the gentleman from Texas [Mr. PATMAN] was made chairman. The gentleman from Texas, Mr. PATMAN, Mr. BOILEAU, Mr. LUCAS, Mr. COLE of New York, Mr. DICKWEILER, Mr. McLEAN, and Mr. BLOOM deserve the thanks of the people of the country for what they uncovered by that investigation and for the legislation that was enacted as a result. If you want any hearings on this subject, all you have to do is read the hearings of that committee, several volumes, and you will find justification for the enactment of this bill.

My interest in this legislation is to try to save the independent retail merchant who is slowly but surely going out of the picture. The defeat of this bill today means a victory for the chain stores; there is no doubt about it. The gentleman from Texas [Mr. PATMAN] is here now, and he could talk to you for hours about the abuses that have been

charged to the chain stores, and properly so. I also see the gentleman from Wisconsin [Mr. BOILEAU] who is supporting the bill.

What does this bill do? There is a standard article that is sold by a manufacturer in the District of Columbia to the retail merchant and to the chain stores at the same price. The chain reduces the price below the cost of purchase, using it as a leader to get the customer into the chain store so they can sell the customer a lot of goods the chain manufactures. To entice the customer, the chain reduces the price on the standard article. Under the Robinson-Patman Act we provided that a manufacturer must sell in the same community to all merchants at the same price, no matter what quantity was purchased. That law resulted from the investigation and it has worked wonders for the independent merchant.

The gentleman from Illinois says 42 States have fair-trade practice acts. Why should not we, as the legislative representatives of the District of Columbia, give the District of Columbia the same legislation? If it is good for 42 States in the Union it is good for the District of Columbia. I say to you that more harm has been done in this country by the chain stores and the mail-order houses than by any other activity you can mention. If we could eliminate the chain stores and the mail-order houses tomorrow this depression would soon be over, because it would put the independent merchant back in the picture. What has become of the old traveling salesman? You never hear of him any more, and there used to be hundreds of thousands of salesmen going all over this country. Now, goods are sold by mail at reduced prices, and this means taking the sale away from the local community. In my own city there are possibly 2,500 chain stores, and what do they do? Not once, but twice a week, money is drawn out of the bank by one chain and sent to Cincinnati.

For another chain the money is drawn out of the bank and sent to New York. From another the money is drawn out of the bank and sent to Chicago, and for another likewise the money is drawn out of the bank twice a week and sent to Chicago. The earnings made from sales to the people of my community are going out of the city twice a week. The chain stores continually drain the city. If the independent merchant were in charge of those stores, every dollar of profit would be spent in the city. The money would rotate, it would go around, and be continually spreading.

It is the independent merchant who is going to be benefited by this legislation. The retail druggist is not gouging the public, as was indicated a moment ago. He is not even making a decent living for himself because of the opposition of the chain store. This bill will give him an opportunity to do a little better. I hope the House will do for the District of Columbia just exactly what our States have done for the cities of our States. [Applause.]

[Here the gavel fell.]

Mr. BREWSTER. Mr. Speaker, as a Representative of the State of Maine, I do not subscribe to the theory that 43 States cannot be wrong. But certainly when 43 States have enacted this legislation it is entitled to receive very careful and respectful consideration.

I suppose 75 to 80 percent of the Members on the floor live in States where this law has been adopted. There was no evidence presented to us to indicate that the law is not operating very satisfactorily in retarding the elimination of the individual retailer from our economic life.

Like my colleague from Illinois, I was raised behind a cracker barrel and drove a grocery cart in my boyhood days, and so I know what this proposition has meant. I come from a small town. The backbone of the thousands of small communities in this country has been Main Street, where the individual retailers were the citizens that looked after the community. As certainly as those retailers disappear, so certainly the national life of America is going to be transformed. The whole philosophy of this question is presented in this act.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. BREWSTER. Not at this point.

When 43 States have found it wise and expedient to adopt legislation of this character because of the admitted abuses to which the previous speakers have referred, it seems to me that we here are fully warranted in making this applicable to the District of Columbia—mindful of the fact that no monopoly is involved.

This simply means that you may not be able to buy your favorite brand of toothpaste. The act provides "which commodity is in free and open competition with commodities of the same general class." In other words, if there is a commodity that is an absolute monopoly and cannot be duplicated it does not come within the purview of the act, but if you have 50 brands of toothpaste, those brands may be protected where the advertising has made them such that they have national recognition, I think the development of our economic history has indicated that steps along this line are desirable if we are not to erect, in increasing measure, an impenetrable barrier between the producer on the one hand and the consumer on the other. The consumer may seem temporarily to be living in a fool's paradise, but he soon finds out he is also a producer and at the mercy of concentrated purchasing power.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. BREWSTER. As the independent retailer is relentlessly crushed between the gigantic merchandising units that are more and more coming to dominate the economic scene, the day may come when the individual merchant of Main Street will no longer be a factor in distribution. As certainly as that day comes, so certainly the consumers of America will be at the mercy of the monopolies that will then result. That is a situation to which I look forward with great and increasing concern. I hope this act may be adopted in order to give to the District of Columbia the same economic opportunities and benefits now accruing to 43 sister States.

Mr. PALMISANO. Mr. Speaker, I yield 3 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Speaker, I have been very much interested in the questions that have been brought forth by my predecessors in the debate on this bill, and I am coming here today, not only as a woman Member of the Congress, but as a woman who has conducted her own home and has bought these food and household commodities which will come to the District of Columbia householder under adverse circumstances if this piece of legislation is passed.

Today, as never before, the mother and the householder, the woman who is at the head of the home, is having a difficult time in making up her food budget. She is having a difficult enough time in buying sugar, bread, and bacon, and the things that today are trade-marked, and she takes her basket and her few pennies and goes to the nearest store in her neighborhood, not because she wants to get out and leave her home, because, perhaps, she is doing so at a sacrifice of time needed in other household duties, but by so doing, she practices the economic philosophy of "cash and carry," and she certainly is entitled to the benefit of her own labor and to the saving she can effect in this way. I have kept house myself and there was a time when I used to call up and say, "Charge it and deliver," and I have had the man to whom I sent such an order tell me the cost of the materials to him, that which he had to pass on to me, in order that I might have the advantage of that delivery service. I have also gone to the corner cash-and-carry grocery store with my basket and have taken advantage of the very fact that these things are sold cheaper, because I myself put an effort into getting a good selection and relieved the store of delivery costs.

I speak for every householder in the District of Columbia when I ask that they, too, may be permitted to have the advantage of their self-service, and I appeal to my colleagues here on the floor not to pass this greater burden on to the householder who today is having such a difficult time.

Now, before I sit down I want to say one word for my colleagues on the District of Columbia Committee of the House. There is not one of them, from our splendid chairman down to the newest member on the committee, who is not giving his very best efforts to the citizens of the District of Columbia.

When Members come to the floor and say they have not been given a proper hearing, there must be a misunderstanding, either on their part or on the part of someone else, because on every occasion citizens of the District of Columbia are treated courteously when they come to our committee hearings, and they are given all the time that they want or need. So I bespeak for my colleagues on the Committee on the District of Columbia the courtesy of this House.

The SPEAKER. The time of the gentlewoman from Indiana has expired.

Mr. PALMISANO. Mr. Speaker, this bill, as my colleagues have said, is similar to bills adopted in 43 of the States. The Congress has adopted a policy of protecting the little merchant by passing the Robinson-Patman Act. It has also passed the Miller-Tydings Act, and all we ask in this bill is that the people of the District be given the same privileges as the people of my own State and of other States. My State has a bill similar to this, and I say it is no more than fair to protect the merchants here and pass this bill and give them equal protection that the merchants of 43 States enjoy.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 33, noes 27.

Mr. CELLER. Mr. Speaker, I object to the vote upon the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman makes the point of order that there is no quorum present, and objects to the vote upon that ground. Obviously, there is no quorum present. The call is automatic. The doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 211, nays 81, not voting 135, as follows:

[Roll No. 88]

YEAS—211

Aleshire	Culkin	Gray, Ind.	Leavy
Allen, Ill.	Cummings	Green	Lemke
Andresen, Minn.	Daly	Greever	Lesinski
Ashbrook	Delaney	Guyer	Lewis, Colo.
Barry	DeMuth	Gwynne	Lord
Bates	Dies	Halleck	Luce
Belter	Dirksen	Harlan	Luckey, Nebr.
Bernard	Dockweiler	Hart	Ludlow
Biermann	Dondero	Havenner	Luecke, Mich.
Bigelow	Dorsey	Healey	McClellan
Binderup	Dowell	Hendricks	McCormack
Boileau	Drew, Pa.	Hennings	McFarlane
Boland, Pa.	Dunn	Hill	McGehee
Brewster	Eaton	Hobbs	McKeough
Brooks	Eberharter	Honeyman	McLaughlin
Brown	Edmiston	Hope	McLean
Buckler, Minn.	Engel	Houston	McReynolds
Byrne	Englebright	Hull	McSweeney
Carlson	Evans	Hunter	Magnuson
Casey, Mass.	Farley	Imhoff	Mahon, Tex.
Church	Ferguson	Jarman	Mapes
Clason	Fitzgerald	Johnson, Luther A.	Martin, Colo.
Claypool	Flaherty	Johnson, Lyndon	Mason
Cleutt	Flannery	Johnson, Minn.	Merritt
Cochran	Fleger	Jones	Michener
Coffee, Nebr.	Fletcher	Keller	Mills
Colmer	Forand	Keogh	Moser, Pa.
Connery	Fries, Ill.	Kerr	Mosler, Ohio
Cooley	Garrett	Kinzer	Mott
Cooper	Gearhart	Kitchens	Nelson
Costello	Gehrman	Lambertson	O'Brien, Ill.
Cravens	Gifford	Lambeth	O'Connell, Mont.
Crawford	Gilchrist	Lamneck	O'Leary
Creal	Gildea	Lanham	O'Neill, N. J.
Crowe	Gingery	Larrabee	O'Toole

Owen	Reed, N. Y.	Shannon	Thom
Palmisano	Reilly	Simpson	Tobey
Patman	Richards	Sirovich	Tolan
Patterson	Rigney	Smith, Conn.	Towey
Patton	Robinson, Utah	Smith, Va.	Treadway
Pearson	Rockefeller	Snell	Umstead
Peterson, Fla.	Rogers, Mass.	Spence	Wallgren
Pettengill	Romjue	Stack	Walter
Pierce	Rutherford	Starnes	Warren
Plumley	Sacks	Stefan	Welch
Poage	Sadowski	Sutphin	White, Ohio
Polk	Sanders	Sweeney	Wigglesworth
Powers	Satterfield	Swope	Williams
Rabaut	Sauthoff	Tarver	Wolcott
Ramsay	Schneider, Wis.	Taylor, Colo.	Wolverton
Ramspeck	Scrugham	Taylor, Tenn.	Woodrum
Rayburn	Seger	Teigan	Zimmerman
Reed, Ill.	Shanley	Terry	

NAYS—81

Allen, Del.	Dempsey	Jarrett	Robertson
Allen, La.	Dingell	Jenckes, Ind.	Robison, Ky.
Amle	Dixon	Johnson, W. Va.	Schuetz
Andrews	Doxey	Kee	Sheppard
Arnold	Drewry, Va.	Kelly, Ill.	Smith, Wash.
Beam	Eckert	Kocalkowski	Smith, W. Va.
Bell	Faddis	Long	Snyder, Pa.
Bloom	Fernandez	McAndrews	South
Boren	Ford, Miss.	Mahon, S. C.	Sparkman
Boyer	Frey, Pa.	Mansfield	Taber
Cannon, Mo.	Fulmer	Massingale	Taylor, S. C.
Cartwright	Gamble, N. Y.	May	Thomas, N. J.
Celler	Gambrill, Md.	Meeks	Thomas, Tex.
Clark, Idaho	Goldsborough	Mitchell, Ill.	Transue
Clark, N. C.	Gregory	Murdoch, Utah	Vincent, Ky.
Coffee, Wash.	Griffith	O'Brien, Mich.	Voorhis
Cole, N. Y.	Hamilton	Pace	Whittington
Collins	Hancock, N. Y.	Parsons	Wilcox
Cox	Hildebrandt	Peterson, Ga.	
Crosser	Hook	Rankin	
Deen	Izac	Reece, Tenn.	

NOT VOTING—135

Allen, Pa.	Doughton	Kopplemann	Rich
Anderson, Mo.	Douglas	Kramer	Rogers, Okla.
Arends	Driver	Kvale	Ryan
Atkinson	Duncan	Lanzetta	Sabath
Bacon	Eicher	Lea	Schaefer, Ill.
Barden	Elliott	Lewis, Md.	Schulte
Barton	Fish	Lucas	Scott
Bland	Fitzpatrick	McGranery	Secrest
Boehne	Flannagan	McGrath	Shafer, Mich.
Boykin	Ford, Calif.	McGroarty	Short
Boylan, N. Y.	Fuller	McMillan	Smith, Maine
Bradley	Gasque	Maas	Smith, Okla.
Buck	Gavagan	Maloney	Somers, N. Y.
Buckley, N. Y.	Gray, Pa.	Martin, Mass.	Steagall
Bulwinkle	Greenwood	Maverick	Sullivan
Burch	Griswold	Mead	Summers, Tex.
Burdick	Haines	Mitchell, Tenn.	Thomason, Tex.
Caldwell	Hancock, N. C.	Mouton	Thompson, Ill.
Cannon, Wis.	Harrington	Murdoch, Ariz.	Thurston
Carter	Harter	Nichols	Tinkham
Case, S. Dak.	Hartley	Norton	Turner
Champion	Hoffman	O'Connell, R. I.	Vinson, Ga.
Chandler	Holmes	O'Connor, Mont.	Wadsworth
Chapman	Jacobsen	O'Connor, N. Y.	Wearin
Citron	Jenkins, Ohio	O'Day	Weaver
Cole, Md.	Jenks, N. H.	O'Malley	Wene
Crosby	Johnson, Okla.	O'Neal, Ky.	West
Crowther	Kelly, N. Y.	Oliver	Whelchel
Cullen	Kennedy, Md.	Patrick	White, Idaho
Curley	Kennedy, N. Y.	Pfeiffer	Withrow
DeRouen	Kirwan	Phillips	Wolfenden
Dickstein	Kleberg	Quinn	Wood
Disney	Kniffin	Randolph	Woodruff
Ditter	Knutson	Rees, Kans.	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Doughton with Mr. Jenkins of Ohio.
 Mr. Bland with Mr. Short.
 Mr. Fuller with Mr. Wadsworth.
 Mr. Gavagan with Mr. Barton.
 Mr. Vinson of Georgia with Mr. Wolfenden.
 Mr. Cullen with Mr. Crowther.
 Mr. Driver with Mr. Woodruff.
 Mr. Weaver with Mr. Martin of Massachusetts.
 Mr. McMillan with Mr. Knutson.
 Mr. O'Connor of New York with Mr. Hartley.
 Mr. Kleberg with Mr. Arends.
 Mr. Maverick with Mr. Douglas.
 Mr. Kennedy of New York with Mr. Maas.
 Mr. Harrington with Mr. Rich.
 Mr. West with Mr. Tinkham.
 Mr. Flannagan with Mr. Carter.
 Mr. Atkinson with Mr. Rees of Kansas.
 Mr. Boykin with Mr. Oliver.
 Mr. DeRouen with Mr. Bacon.
 Mr. Gasque with Mr. Ditter.
 Mr. Maloney with Mr. Fish.
 Mr. Sullivan with Mr. Hoffman.

Mr. Bulwinkle with Mr. Smith of Maine.
 Mr. Mead with Mr. Case of South Dakota.
 Mr. Sabath with Mr. Holmes.
 Mr. Sumners of Texas with Mr. Shafer of Michigan.
 Mr. Schulte with Mr. Withrow.
 Mr. Mitchell of Tennessee with Mr. Kvale.
 Mr. Chapman with Mr. Jenks of New Hampshire.
 Mr. Thomason of Texas with Mr. Burdick.
 Mrs. O'Day with Mrs. Norton.
 Mr. Kramer with Mr. Boylan of New York.
 Mr. Greenwood with Mr. Johnson of Oklahoma.
 Mr. Chandler with Mr. Wood.
 Mr. Patrick with Mr. Somers of New York.
 Mr. Elliott with Mr. Allen of Pennsylvania.
 Mr. McGranery with Mr. Elcher.
 Mr. Secrest with Mr. Steagall.
 Mr. Boehne with Mr. McGrath.
 Mr. Fitzpatrick with Mr. Barden.
 Mr. Thompson of Illinois with Mr. Pfeifer.
 Mr. Bradley with Mr. Turner.
 Mr. O'Neal of Kentucky with Mr. Cole of Maryland.
 Mr. Disney with Mr. Ryan.
 Mr. Lucas with Mr. Duncan.
 Mr. Lanzetta with Mr. Scott.
 Mr. Schaefer of Illinois with Mr. Lea.
 Mr. Quinn with Mr. Curley.
 Mr. Lewis of Maryland with Mr. Rogers of Oklahoma.
 Mr. Dickstein with Mr. Kniffin.
 Mr. Kirwan with Mr. Crosby.
 Mr. Whelchel with Mr. Haines.
 Mr. Griswold with Mr. Nichols.
 Mr. Buck with Mr. Mouton.
 Mr. Buckley of New York with Mr. Murdock of Arizona.
 Mr. Gray of Pennsylvania with Mr. Wearin.
 Mr. Caldwell with Mr. Wene.
 Mr. O'Connell of Rhode Island with Mr. Hancock of North Carolina.
 Mr. Kelly of New York with Mr. O'Connor of Montana.
 Mr. Harter with Mr. Randolph.
 Mr. Kennedy of Maryland with Mr. O'Malley.
 Mr. Jacobsen with Mr. Cannon of Wisconsin.
 Mr. Citron with Mr. Champion.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

INSANITY PROCEEDINGS IN DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1225) to provide for insanity proceedings in the District of Columbia, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Maryland calls up the bill S. 1225, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That any person with whom an alleged insane person may reside, or at whose house he may be, or the father or mother, husband or wife, brother or sister, or the child of lawful age of any such person, or the nearest relative or friend available, or the committee of such person, or an officer of any charitable institution, home, or hospital in which such person may be, or any duly accredited officer or agent of the Board of Public Welfare, or any officer authorized to make arrests in the District of Columbia who has arrested any alleged insane person under the provisions of the act of Congress approved April 27, 1904 (33 Stat. 316), may apply for a writ de lunatico inquirendo and an order of commitment, or either thereof, for any alleged insane person in the District of Columbia by filing in the equity court of the District Court of the United States for the District of Columbia a verified petition therefor containing a statement of the facts upon which the allegation of insanity is based. All writs de lunatico inquirendo shall issue from the equity court of the District Court of the United States for the District of Columbia, and a justice holding said court shall preside at all inquisitions of lunacy.

Sec. 2. There is hereby established a Commission on Mental Health (hereinafter referred to as the Commission), which shall examine alleged insane persons, inquire into the affairs of such persons, and the affairs of those persons legally liable as herein-after provided for the support of said alleged insane persons, and make reports and recommendations to the court as to the necessity of treatment, the commitment, and payment of the expense of maintenance and treatment of such insane persons. The said Commission shall be drawn from a panel of nine bona-fide residents of the District of Columbia who have resided in said District for a continuous period of at least 3 years immediately preceding their appointment, who shall be appointed by the judges of the District Court of the United States for the District of Columbia.

Eight members of said panel shall be physicians who have been practicing medicine in the District of Columbia, and who have had not less than 5 years' experience in the diagnosis and treatment of mental diseases, none of whom is financially interested in the hospital in which the alleged insane person is to be confined, and the ninth member shall be a member of the bar of the District Court of the United States for the District of Columbia who has been engaged in the general active practice of law in the District of Columbia for a period of at least 5 years prior to his appointment. Each physician member of the panel shall be assigned by the chief

justice of the District Court of the United States for the District of Columbia to active service on the Commission for 3 months in each calendar year, and the chief justice may change such assignments at any time at his discretion. The two physician members on active service and the lawyer member shall constitute the Commission for the purposes of this act. The members to whom any case is referred shall continue to act in respect to that case until its final disposition, unless the court shall otherwise order. Physician members of the Commission may practice their profession during their tenure of office. The lawyer member of the Commission shall be chairman thereof, and it shall be his duty, and he shall have authority to direct the proceedings and hearings in such a manner as to insure dependable ascertainment of the facts, by relevant, competent, and material evidence, and so as to insure a fair and lawful conduct and disposition of the case. The lawyer member shall devote his entire time to the work of the Commission. The judges shall also appoint an alternate lawyer member of the Commission, who shall have the same qualifications as that member, and who may be designated by the chief justice to act as a member of the Commission in absence of the lawyer member; for such service the alternate shall receive \$10 for each day of actual service. Original appointments of physicians shall be two each for 1, 2, 3, and 4 years, respectively, the lawyer member to be appointed for 4 years. Thereafter appointments shall be for 4 years each. The salaries of the members of the Commission and of employees shall be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized.

The said Commission shall act in all respects under the direction of the equity court. The court may compel, by subpoena, the appearance of alleged insane persons before the Commission for examination, and may compel the attendance of witnesses before the Commission. If it shall appear to the satisfaction of the Commission that the appearance before it of any alleged insane person is prevented by reason of the mental or physical condition of such person, the Commission may, in its discretion, examine such person at the hospital in which such person may be confined, or, with the consent of the relatives, or of the person with whom such person may reside, at the residence of the alleged insane person.

The court may in its discretion appoint an attorney or guardian ad litem to represent the alleged insane person at any hearing before the Commission or before the court, or before the court and jury, and shall allow the attorney or guardian ad litem so appointed a reasonable fee for his services. Such fees may be charged against the estate or property, if any, of the alleged insane person, or taxed as costs against the petitioner in the proceedings, or, in the case of an indigent person, charged against the funds of the Commission, as the court, in its discretion may direct.

The office and records of the sanitary officer, District of Columbia, are hereby transferred from the Metropolitan Police Department to the Commission and the sanitary officer shall be secretary of the Commission. Suitable quarters shall be provided for the Commission by the Commissioners of the District of Columbia.

Sec. 3. Upon the filing with the court of a verified petition as hereinabove provided, accompanied by the affidavits of two or more responsible residents of the District of Columbia setting forth that they believe the person therein named to be insane or of unsound mind, the length of time they have known such person, that they believe such person to be incapable of managing his or her own affairs, and that such person is not fit to be at large or to go unrestrained, and that if such person is permitted to remain at liberty the rights of persons and property will be jeopardized or the preservation of public peace imperiled or the commission of crime rendered probable, and that such person is a fit subject for treatment by reason of his or her mental condition, the court, or any judge thereof in vacation, may, in its or his discretion, issue an attachment for the immediate apprehension and detention of such person in Gallinger Municipal Hospital, or any other hospital, for the purpose of preliminary examination. Any person so apprehended and detained shall be given an examination within 48 hours of his admission into Gallinger Municipal Hospital by the staff of Gallinger Municipal Hospital. If, as a result of such examination, the said staff of Gallinger Municipal Hospital shall certify that the said person is a proper subject for commitment the case shall be forthwith referred upon said certificate to the Commission; but, if as a result of such examination, the said staff shall find that the person is of sound mind he shall be discharged forthwith by said Gallinger Municipal Hospital and the petition dismissed. Nothing contained in this section shall deprive the alleged insane person of the benefit of existing remedies to secure his release or to prove his sanity, or of any other legal remedies he may have.

Sec. 4. Any petition filed in the equity court for a writ de lunatico inquirendo or for an order of commitment of any alleged insane person, unless said person shall have been discharged by the staff of Gallinger Hospital in accordance with the provisions of section 3 hereof, shall be forthwith referred by the court to the Commission for report and recommendation within such time as the court may designate, which time may be extended by the court for good cause shown. The Commission shall thereupon examine the alleged insane person and any other person, including any suggested by the alleged insane person, his relatives, friends, or representatives, whose testimony may be relevant, competent, and material upon the issue of insanity; and the

Commission shall afford opportunity for hearing to any alleged insane person, his relatives, friends, or representatives. At all hearings the alleged insane person shall have the right to be represented by counsel.

The Commission is hereby authorized to conduct its examination and hearings of cases elsewhere than at the offices of said Commission in its discretion, according to the circumstances of the case.

The Commission shall determine (1) the sanity or insanity of the alleged insane person, (2) the length of time the alleged insane person has resided within the District, and (3) the ability of the relatives, mentioned in section 11 of this act, or the committee of the alleged insane person to pay all or a portion of the maintenance of such person if confined to St. Elizabeths or any other hospital; and shall include such findings in its report.

Sec. 5. Notice of the filing of any petition hereinbefore provided shall be served personally upon the person alleged to be insane, at least 3 days (exclusive of Sundays and legal holidays) before the time set for hearing by the Commission as provided in section 4 of this act. If the petition be made by a person other than the wife, husband, father, mother, or other nearest relative, such notice shall also be served upon either such wife, husband, father, mother, or other nearest relative of said alleged insane person, if there be any such relative known to be within the District of Columbia; if not, upon the person with whom such alleged insane person may reside, or at whose home he may be or in their absence upon a friend of such alleged insane person; and if there be no such person or persons such service shall be dispensed with.

Sec. 6. Recommendations of the Commission must be the unanimous recommendation of the three members acting upon any case. If the three members of the Commission be unable to agree upon the recommendation to be made in any case, they shall immediately file with the court a report setting forth the fact that they are unable to agree on the case, and in that event the court shall hear and determine the case, unless the alleged insane person, or someone in his behalf, shall demand a jury trial, in which event the case shall be heard and determined by the court and a jury.

If the Commission shall agree upon a recommendation, it shall file with the court a report setting forth its findings of fact and conclusions of law and its recommendation based thereon which recommendation shall be in one of the following forms:

(1) That the person is of sound mind and should be discharged forthwith and the petition dismissed.

(2) That the mental condition of the alleged insane person is such that definite diagnosis cannot be made without further study, or that the mental incapacity of said person will probably be of short duration, and that said person should be temporarily committed to Gallinger Municipal Hospital or any other hospital in the District of Columbia, as provided in the act approved April 27, 1904, for observation or treatment for a period of not more than 30 days, during which said period the Commission shall examine the said person and make a recommendation as to the final disposition of the case.

(3) That the person is of unsound mind and (a) should be committed to St. Elizabeths Hospital, or any other hospital provided by section 4 of the act approved April 27, 1904, (1) at public expense, or (2) at the expense of those persons who are required by law, or who will agree to pay for the maintenance and treatment of said insane person, or (3) that the relatives of the said insane person, mentioned in section 11 of this act are able to pay a specified sum per month toward the support and maintenance of said insane person; (b) is harmless and may safely be committed to the care of his relatives or friends (naming them) who are willing to accept custody, care, and maintenance of said insane person under conditions specified by the Commission.

Sec. 7. Upon the receipt of the report and recommendation of the Commission, a copy of which shall be served personally upon the alleged insane person, his guardian ad litem or his attorney, if he have one, together with notice that he has 10 days within which to demand a jury trial, a demand for hearing by the court or a demand for jury trial for the purpose of determining the sanity or insanity of the alleged insane person may be made by the said alleged insane person or by anyone in his behalf, or a jury trial may be ordered by the court upon its own motion. If demand be made for a jury trial, or such trial be ordered by the court on its own motion, the case shall be calendared for trial not less than 10 days after demand for hearing by the court or for a jury trial, or unless the time is extended by the court. The Commission, or any of the members thereof, shall be competent and compellable witnesses at any trial or hearing of an alleged insane person. In any case in which a commitment at public expense, in whole or in part, is sought, the corporation counsel or one of his assistants shall represent the petitioner unless said petitioner shall be represented by counsel of his or her own choice.

The jury to be used in lunacy inquisitions in those cases where a jury trial shall be demanded or ordered shall be empaneled, upon order of the court, from the jurors in attendance upon other branches of the District Court of the United States for the District of Columbia, who shall perform such services in addition to, and as part of, their duties in said court.

Sec. 8. If no demand be made for a hearing by the court or by the court and a jury, the judge holding equity court shall determine the sanity or insanity of said alleged insane person, but such judge may, in his discretion, require other proofs, in addi-

tion to the petition and report of the Commission, or such judge may order the temporary commitment of said alleged insane person for observation or treatment for a period of not more than 30 days. The judge may, in his discretion, dismiss the petition notwithstanding the recommendation of the Commission. If the judge be satisfied that the alleged insane person is of sound mind, he shall forthwith discharge such person and dismiss the petition.

Sec. 9. If the judge be satisfied that the alleged insane person is insane, or if a jury shall so find, the judge may commit the insane person as he in his discretion shall find to be for the best interests of the public and of the insane person. In case of a temporary commitment, the court may make additional temporary commitments upon further examination by, and the recommendation of, the Commission.

Sec. 10. If an insane person be found by the Commission, subject to the review of the court, not to be a resident of the District of Columbia he may be committed by the court to St. Elizabeths Hospital as a District of Columbia patient until such time as his residence shall have been ascertained. Upon the ascertainment of such insane person's residence in some other jurisdiction, he shall be transferred to the State of such residence. The expense of transferring such patient, including the traveling expenses of necessary attendants to insure his safe transfer, shall be borne by the District of Columbia only if the patient be indigent.

Any insane person found by the Commission to have been a resident of the District of Columbia for more than 1 year prior to the filing of the petition, and any person found within the District of Columbia whose residence cannot be ascertained, who is not in confinement on a criminal charge, may be committed by the court to, and confined in, said St. Elizabeths Hospital, or any other hospital in said District, which, in the judgment of the health officer of said District, is properly constructed and equipped for the reception and care of such persons, and the official in charge of which, for the time being, is willing to receive such persons.

"Resident of the District of Columbia", as used in this section means a person who has maintained his principal place of abode in the District of Columbia for more than 1 year prior to the filing of the petition provided for in section 1 of this act.

If it appears that a person found to be insane is harmless and his or her relatives or committee of his or her person are willing and able properly to care for such insane person at some place or institution other than St. Elizabeths Hospital, the judge may order that such insane person be placed in the care and custody of such relatives or such committee upon their entering into an undertaking to provide for such insane person as the court may direct.

Sec. 11. The father, mother, husband, wife, and adult children of an insane person, if of sufficient ability, and the committee or guardian of his or her person and estate, if his or her estate is sufficient for the purpose, shall pay the cost to the District of Columbia of his or her maintenance, including treatment, in St. Elizabeths Hospital or in any other hospital to which the insane person may be committed. It shall be the duty of said Commission to examine, under oath, the father, mother, husband, wife, adult children, and committee, if any, of any alleged insane person whenever such relatives live within the District of Columbia, and to ascertain the ability of such relatives or committee, if any, to maintain or contribute toward the maintenance of such alleged insane person: *Provided*, That in no case shall said relatives or committee be required to pay more than the actual cost to the District of Columbia of maintenance of such alleged insane person.

If any person hereinabove made liable for the maintenance of an insane person shall fail so to provide or pay for such maintenance, the court shall issue to such person a citation to show cause why he should not be adjudged to pay a portion or all of the expenses of maintenance of such patient. The citation shall be served at least 10 days before the hearing thereon. If, upon such hearing, it shall appear to the court that the insane person has not sufficient estate out of which his maintenance may properly be fully met and that he has relatives of the degrees hereinabove mentioned who are parties to the proceedings, and who are able to contribute thereto, the court may make an order requiring payment by such relatives of such sum or sums as it may find they are reasonably able to pay and as may be necessary to provide for the maintenance of such insane person. Said order shall require the payment of such sums to the Board of Public Welfare annually, semiannually, or quarterly as the court may direct. It shall be the duty of the Board to collect the said sums due under this section, and to turn the same into the Treasury of the United States to the credit of the District of Columbia. Any such order may be enforced against any property of the insane person or of the person liable or undertaking to maintain him in the same way as if it were an order for temporary alimony in a divorce case.

Sec. 12. Any insane person who has been committed to St. Elizabeths Hospital, or any other hospital, and who shall have been released from such hospital as improved, or who shall have been paroled from such hospital (but who shall not have been discharged as cured), and who shall have been absent from the hospital on release or parole for a period of 6 months or longer, shall have the right to appear before the Commission for a hearing to determine the sanity and right to restoration to the status of a person of sound mind of said insane person by filing a petition therefor with the court upon a form to be provided by the Commission for that purpose. It shall be the duty of the Com-

mission to make such examination and observation of the insane person as may be necessary to determine such questions, and to make a report and a recommendation to the court. In the event the Commission shall find that the said person is of sound mind and shall recommend to the court the restoration of said person to the status of a person of sound mind such recommendation shall be sufficient to authorize the court to enter an order declaring such person to be restored to his or her former legal status as a person of sound mind. In the event the Commission shall find such person to be of unsound mind, it shall report that finding to the court. Upon the filing by the Commission of a report finding such person to be of unsound mind, the insane person shall have the right to a hearing by the court or by the court and a jury. For the purpose of making the examination and observations required by this section the Commission shall have the right to examine the records and to interrogate the physicians and attendants at St. Elizabeths Hospital or any other hospital in which such patient shall have been confined, who have had the insane person under their care, and the Commission may recommend to the court the temporary recommitment, for a period of not more than 30 days, of such person for purposes of observation, and the court is hereby empowered to order the temporary recommitment of such person for said purpose. At such trial by the court or by the court and a jury, an adjudication shall be made as to whether the person is of sound mind or is still of unsound mind.

SEC. 13. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpoenaed under the provisions of this act.

SEC. 14. The court in its discretion may require the petitioner to file an undertaking with surety to be approved by the court in such amount as the court may deem proper, conditioned to save harmless the respondent by reason of costs incurred, including attorney's fees, if any, and damages suffered by the respondent as a result of any such action.

SEC. 15. Any person who executes a verified petition or affidavit as provided in this act, by which he or she secures or attempts to secure the apprehension, detention, or restraint of any other person in the District of Columbia without probable cause for believing such person to be insane or of unsound mind, or any physician who knowingly makes any false certificate or affidavit, as to the sanity or insanity of any other person shall, upon conviction thereof, be fined not more than \$500 or imprisoned not more than 3 years, or both.

SEC. 16. All acts or parts of acts in conflict herewith are hereby repealed.

SEC. 17. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PALMISANO. Mr. Speaker, unless someone desires to ask a question, I shall move the previous question.

Mr. LEAVY. Mr. Speaker, this legislation is for the purpose of humanizing and modernizing legal proceedings in insanity hearings. I am sure there can be no objection to it when it is understood. There is no room for controversy about it. By reason of my own personal experience as a member of the bench for 10 years, and having heard 2,000 mental cases, I have been deeply interested in seeing if anything could be done for these unfortunate people in the District of Columbia who become mentally ill.

I went down to the local court about a month ago one Friday morning and listened to the insanity proceedings. Any Member of this Congress who would spend as much as 30 minutes in the court and note the archaic, barbaric, and cruel manner in which commitments proceed would say that we certainly ought to enact legislation such as this. I have given this thoughtful and careful consideration, because it so vitally touches the lives of those who live in this beautiful city. It protects every right of the person who is accused of being mentally sick. It safeguards them from the unwholesome and inhuman conditions that surround public jury trials that proceed on the basis of criminal court actions—the manner in which commitments are proceeded with in the District at the present time. The present practice tends to produce insanity where insanity does not exist. It proceeds upon the theory that the patient has committed a public offense.

The pending bill provides for a private hearing with two medical men and one man trained in the law sitting as a

board. They carefully examine into all of the facts and circumstances and then make a report of their findings to a court, and the court then makes a commitment or requires further evidence, or refuses to commit. The bill provides that the accused or any relative of the accused may demand a jury trial. The bill further provides that hearings may be had not only in private but at the home of the unfortunate person if the person is unable to appear at the hospital or other place of hearing.

The bill recognizes the fact, Mr. Speaker, that mental trouble is an illness, just as are physical troubles. It recognizes the fact that in America today there are more beds for people who are mentally sick than there are for those who are physically sick, and the number of mental cases is increasing out of all proportion to our population. This bill recognizes that here is a new field where American medical science can exert itself and perform real wonders as it has done in the field of physical ailments.

The disgraceful situation that has prevailed in the District of Columbia and still prevails in reference to insanity proceedings and commitments is the direct responsibility of every Member of this Congress. Dr. Winfred Overholser, Superintendent of St. Elizabeths, where there are nearly 6,000 unfortunate persons confined who have been committed through the District Court of the United States for the District of Columbia, pointed this out so clearly when he recently appeared before the Interior Subcommittee on Appropriations, of which I am a member. The local medical association, through a committee of specialists in psychiatry, have likewise pointed out the great need for legislation such as this we are now considering. Every State in the Union has long since modernized its old and harsh rules of procedure and given recognition to the fact that insanity is a mental disease very frequently susceptible to partial or complete recovery. In the District of Columbia there are now being heard in excess of 600 cases per year. Each of these unfortunate persons, with their heartbroken relatives and friends, are paraded before a courtroom packed with morbid curiosity seekers, and subjected to cross-examination by a police court lawyer and then a jury of 12 men, who, without ever leaving the jury box, pronounce a judgment of sanity or insanity. I sat there and listened to eight cases, which were heard within less than 1 hour, and the jury rendered a verdict without ever leaving the jury box in each case and in every case the individual was pronounced insane.

I have seen much in this beautiful city to approve and commend, but I have likewise seen much that deserves criticism, but in the matter of insanity proceedings, most severe condemnation is deserved and I doubt if any civilized country on earth conducts an inquisition into the mental condition of an unfortunate person under rules and practices and in an environment more inhuman than that which prevails in the District of Columbia. The responsibility does not rest upon the court, the jury, the police, nor even the police court prosecutor. The responsibility rests squarely upon the Members of this Congress. Here and now we have an opportunity to correct this evil and abuse. It affords me a great satisfaction to feel that I can, in a small way, be instrumental in bringing about a correction of an evil that has existed all too long, and perhaps gone unnoticed in the rush of other legislative matters.

I trust this bill will receive the unanimous vote of the House as it apparently received the unanimous vote of the Senate. [Applause.]

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. LANHAM). Evidently there is no quorum present.

Mr. PALMISANO. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Allen, Pa.	Elliot	Lucas	Sabath
Andresen, Minn.	Evans	McClellan	Sadowski
Atkinson	Farley	McGrath	Scott
Barden	Fish	McGroarty	Secrest
Barton	Fitzpatrick	McMillan	Shafer, Mich.
Belter	Flannagan	Maverick	Short
Buckley, N.Y.	Ford, Calif.	Meeks	Smith, Okla.
Bulwinkle	Frey, Pa.	Mitchell, Ill.	Smith, Va.
Burdick	Gasque	Mitchell, Tenn.	Somers, N. Y.
Caldwell	Gavagan	Murdock, Ariz.	Stack
Cannon, Wis.	Gingery	Murdock, Utah	Steagall
Carter	Gray, Pa.	Norton	Tarver
Cartwright	Greenwood	O'Connell, R. I.	Thomason, Tex.
Champion	Griswold	O'Connor, Mont.	Thurston
Chapman	Hancock, N. C.	O'Day	Tinkham
Clark, Idaho.	Harrington	Oliver	Wadsworth
Cole, Md.	Hartley	O'Neal, Ky.	Wearin
Crosby	Hildebrandt	O'Toole	Weaver
Crowther	Hoffman	Owen	West
Deen	Holmes	Patrick	Whelchel
DeRouen	Hook	Pettengill	White, Idaho
Ditter	Jacobsen	Quinn	Withrow
Doughton	Jenks, N. H.	Randolph	Wolfenden
Douglas	Keller	Rich	Wolverton
Drewry, Va.	Kirwan	Richards	Wood
Driver	Kleberg	Robinson, Utah	Woodruff
Eaton	Kvale	Rockefeller	
Eicher	Lewis, Md.	Rogers, Okla.	

The SPEAKER pro tempore. Three hundred and fifteen Members are present, a quorum.

On motion of Mr. PALMISANO, further proceedings under the call were dispensed with.

Mr. CELLER. Mr. Speaker, I regret to announce that our colleague the gentleman from New York [Mr. CURLEY] has been compelled to go to the hospital and will be absent indefinitely.

COMMITMENT PROCEEDINGS IN INSANITY CASES

Mr. PALMISANO. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of matters on the Speaker's table and the legislative program for the day, that my colleague the gentleman from Michigan [Mr. HOFFMAN] may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOURS OF DUTY IN THE FIRE DEPARTMENT OF DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7710) to provide shorter hours of duty for members of the fire department of the District of Columbia.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That hereafter, on or in lieu of Saturday and Sunday, there shall be granted to each officer and member of the fire department of the District of Columbia 2 consecutive days of compensatory time off during each week of 7 days, which shall be in addition to his annual leave and sick leave now allowed by law; and no member of the fire department shall be required to work more than 70 hours per week on night-platoon duty nor more than 50 hours per week on day-platoon duty: *Provided*, That compensatory time, in addition to regular annual and sick leave, shall be allowed for legal holidays on which any officer or member of the fire department is required to be on duty: *Provided further*, That whenever the Commissioners of the District of Columbia declare that an emergency exists of such a character as to require the continuous service of all members of the fire department, the chief engineer of the fire department shall have authority, and it shall be his duty, to suspend and discontinue the granting of the said compensatory days off per week during the continuation of such

emergency, but compensatory time, in addition to the annual leave and sick leave now allowed by law, shall be allowed later to those affected by the extra time so worked during the said emergency period.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT OF POLICEMEN AND FIREMEN IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 5696) to provide for the retirement of certain members of the police and fire departments of the District of Columbia, the United States Park Police force, and the White House Police force.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes," approved September 1, 1916, is amended by adding after the fourth paragraph of such section a new paragraph to read as follows:

"Whenever any member of the police department or the fire department of the District of Columbia, or of the United States Park Police force, or of the White House Police force has served 25 years or more as a member of one or more such departments or police forces he may, at his election, be retired from the service of any such department or police force, and shall be entitled to receive retirement compensation from the said policemen and firemen's relief fund, District of Columbia, in an amount equal to 50 percent per annum of the salary received by him at the date of retirement."

With the following committee amendment:

Page 2, line 5, after the word "forces", insert "and has attained the age of 55 years."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF MANUFACTURE, DISPENSING, SELLING, AND POSSESSION OF NARCOTIC DRUGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7982) to regulate the manufacture, dispensing, selling, and possession of narcotic drugs in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole House on the state of the Union.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., The following words and phrases, as used in this act, shall have the following meanings, unless the context otherwise requires:

(a) "Person" includes any corporation, association, copartnership, or one or more individuals.

(b) "Physician" means a person authorized by law to practice medicine or osteopathy in the District of Columbia.

(c) "Dentist" means a person authorized by law to practice dentistry in the District of Columbia.

(d) "Veterinarian" means a person authorized by law to practice veterinary medicine in the District of Columbia.

(e) "Manufacturer" means a person who by compounding, mixing, cultivating, growing, or other process produces or prepares narcotic drugs, but does not include an apothecary who compounds narcotic drugs to be sold or dispensed on prescription.

(f) "Wholesaler" means a person who supplies narcotic drugs that he himself has not produced nor prepared on official written orders but not on prescription.

(g) "Apothecary" means a licensed pharmacist as defined by the laws of the District of Columbia and, where the context so requires, the owner of a store or other place of business where narcotic drugs are compounded or dispensed by a licensed pharmacist; but nothing in this act shall be construed as conferring on a person who is not registered nor licensed as a pharmacist any

authority, right, or privilege that is not granted to him by the pharmacy laws of the District of Columbia.

(h) "Hospital" means an institution or clinic for the care and treatment of the sick and injured, approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the professional use of narcotic drugs under the direction of a physician, dentist, or veterinarian.

(i) "Laboratory" means a laboratory approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the use of narcotic drugs for scientific and medical purposes and for purposes of instruction.

(j) "Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction made by any person, whether as principal, proprietor, agent, servant, or employee.

(k) "Coca leaves" includes cocaine and any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except derivatives of coca leaves which do not contain cocaine, ecgonine, or substances from which cocaine or ecgonine may be synthesized or made.

(l) "Opium" includes morphine, codeine, and heroin, and any compound, manufacture, salt, derivative, mixture, or preparation of opium.

(m) "Cannabis" includes all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin, including specifically the drugs known as American hemp, marihuana, Indian hemp or hasheesh, as used in cigarettes or in any other articles, compounds, mixtures, preparations, or products whatsoever, but shall not include the mature stalks of such plant; oil or cake made from the seeds of such plant; any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom); oil or cake; or the sterilized seed of such plant which is incapable of germination.

(n) "Narcotic drugs" means coca leaves, opium, cannabis, and every substance not chemically distinguishable from them.

(o) "Federal narcotic laws" means the laws of the United States relating to opium, coca leaves, and other narcotic drugs.

(p) "Official written order" means an order written on a form provided for that purpose by the United States Commissioner of Narcotics, under any laws of the United States making provision therefor, if such order forms are authorized and required by Federal law and, if no such order form is provided, then on an official form provided for that purpose by the health officer of the District of Columbia.

(q) "Dispense" includes distribute, leave with, give away, dispose of, or deliver.

(r) "Registry number" means the number assigned to each person registered under the Federal narcotic laws.

ACTS PROHIBITED

SEC. 2. It shall be unlawful for any person to manufacture, possess, have under his control, sell, prescribe, administer, dispense, or compound any narcotic drug, except as authorized in this act.

MANUFACTURERS AND WHOLESALERS

SEC. 3. No person shall manufacture, compound, mix, cultivate, grow, or by any other process produce or prepare narcotic drugs, and no person as a wholesaler shall supply the same, without having first obtained a license so to do from the health officer of the District of Columbia. Licenses shall be issued for a period of 1 year and may be renewed for a like period. A fee of \$5 shall be paid to the health officer for any license so issued or renewed. The said health officer is authorized to have printed such licenses as may be necessary and to be paid for out of the money collected by him for the issuance of licenses. At the close of each fiscal year any funds unexpended in excess of the sum of \$100 shall be paid into the Treasury of the United States to the credit of the District of Columbia.

QUALIFICATIONS FOR LICENSES

SEC. 4. No license shall be issued under the foregoing section unless and until the applicant therefor has furnished proof satisfactory to the health officer of the District of Columbia of the following:

(a) That the applicant is of good moral character or, if the applicant be an association or corporation, that the managing officers are of good moral character.

(b) That the applicant is equipped as to land, buildings, and paraphernalia properly to carry on the business described in his application.

No license shall be granted to any person who has been convicted of a willful violation of any law of the United States, or of any State, relating to opium, coca leaves, cannabis, or other narcotic drugs, or to any person who is a narcotic-drug addict.

The health officer of the District of Columbia may suspend or revoke any license issued by said health officer under the provisions of this act for cause.

USE OF OFFICIAL WRITTEN ORDERS

SEC. 5. An official written order for any narcotic drug shall be signed in duplicate by the person giving said order or by his duly authorized agent. The original shall be presented to the person who sells or dispenses the narcotic drug or drugs named therein. In event of the acceptance of such order by said person, each party to the transaction shall preserve his copy of such order for a period of 2 years in such a way as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. It shall be deemed a compliance with this subsection if the

parties to the transaction have complied with the Federal narcotic laws respecting the requirements governing the use of order forms.

SALE ON WRITTEN ORDERS

SEC. 6. (a) A duly licensed manufacturer or wholesaler may sell and dispense narcotic drugs to any of the following persons, but only on official written orders:

(1) To a manufacturer, wholesaler, or apothecary;
(2) To a physician, dentist, or veterinarian;
(3) To a hospital, but only for use by or in that hospital: *Provided*, That the official written order is signed by a physician, dentist, veterinarian, or pharmacist connected with that hospital; and

(4) To a person in charge of a laboratory, but only for use in that laboratory for scientific and medical purposes.

(b) A duly licensed manufacturer or wholesaler may also sell narcotic drugs to any of the following persons:

(1) On a special written order accompanied by a certificate of exemption, as required by the Federal narcotic laws, to a person in the employ of the United States Government or of the District of Columbia, or of any State, Territorial, district, county, municipal, or insular government, purchasing, receiving, possessing, or dispensing narcotic drugs by reason of his official duties.

(2) To a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or to a physician or surgeon duly licensed in some State, Territory, or the District of Columbia to practice his profession, or to a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft, for the actual medical needs of persons on board such ship or aircraft, when not in port: *Provided*, That such narcotic drugs shall be sold to the master of such ship or person in charge of such aircraft, or to a physician, surgeon, or retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft only in pursuance of a special order form approved by a commissioned medical officer or acting assistant surgeon of the United States Public Health Service.

(3) To a person in a foreign country if the provisions of the Federal narcotic laws are complied with.

Possession lawful

(c) Possession of or control of narcotic drugs obtained as authorized by this section shall be lawful only if obtained and used in the regular course of business, occupation, profession, employment, or duty of the possessor.

SEC. 7. A person in charge of a hospital or of a laboratory, or in the employ of the District of Columbia or of any State, or of any political subdivision thereof, or a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or a physician or surgeon duly licensed in some State, Territory, or the District of Columbia, to practice his profession, or a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft who obtains narcotic drugs under the provisions of section 6 of this act, or otherwise, shall not administer, nor dispense, nor otherwise use such drugs, within the District of Columbia, except within the scope of his employment or official duty, and then only for scientific or medical purposes and subject to the provisions of this act.

SALES BY APOTHECARIES

SEC. 8. (a) An apothecary, in good faith, may sell and dispense narcotic drugs to any person upon a written prescription of a physician, dentist, or veterinarian, dated and signed, in ink or indelible pencil, on the day when issued, by the physician, dentist, or veterinarian prescribing said narcotic drugs. The prescription when issued shall also state the full name and address of the patient for whom, or of the owner of the animal for which, the drug is dispensed, and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, if he is required by those laws to be so registered. If the prescription be for an animal, it shall state the species of animal for which the drug is prescribed. The person filing the prescription shall write the date of filing and his own signature on the face of the prescription. The prescription shall be retained on file by the proprietor of the pharmacy in which it is filled for a period of 2 years, so as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. The prescription shall not be refilled.

(b) The legal owner of any stock of narcotic drugs in a pharmacy, upon discontinuance of dealing in said drugs, may sell said stock to a manufacturer, wholesaler, or apothecary, but only on an official written order.

(c) An apothecary, only upon an official written order, may sell to a physician, dentist, or veterinarian, in quantities not exceeding 1 ounce at any one time, aqueous or oleaginous solutions of which the content of narcotic drugs does not exceed a proportion greater than 20 percent of the complete solution, to be used for medical purposes.

PROFESSIONAL USE OF NARCOTIC DRUGS

Physicians and dentists

SEC. 9. (a) A physician or a dentist, in good faith and in the course of his professional practice only, may prescribe in writing, administer, and dispense narcotic drugs, or he may cause the same to be administered by a nurse or interne under his direction

and supervision. Such a prescription shall be dated and signed by the person prescribing on the day when issued and shall bear the full name and address of the patient for whom the narcotic drug is prescribed and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, provided he is required by those laws to be so registered.

Veterinarians

(b) A veterinarian, in good faith and in the course of his professional practice only and not for use by a human being, may prescribe in writing, administer, and dispense narcotic drugs, and he may cause them to be administered by an assistant or orderly under his direction and supervision. Such a prescription shall be dated and signed by the person prescribing on the day when issued and shall bear the full name and address of the owner of the animal; the species of the animal for which the narcotic is prescribed; and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, provided he is required by those laws to be so registered.

Return of unused drugs

(c) Any person who has obtained from a physician, dentist, or veterinarian any narcotic drug for administration to a patient during the absence of such physician, dentist, or veterinarian shall return to such physician, dentist, or veterinarian any unused portion of such drug, when it is no longer required by the patient.

PREPARATIONS EXEMPTED

SEC. 10. Except as otherwise in this act specifically provided, this act shall not apply to the following cases:

(a) Prescribing, administering, dispensing, or selling at retail of any medicinal preparation that contains in one fluid ounce or, if a solid or semisolid preparation, in one avoirdupois ounce (1) not more than two grains of opium, (2) not more than one-quarter of a grain of morphine or of any of its salts, (3) not more than one grain of codeine or of any of its salts, (4) not more than one-eighth of a grain of heroin or of any of its salts, (5) not more than one-half of a grain of extract of cannabis, nor more than one-half of a grain of any more potent derivative or preparation of cannabis.

(b) Prescribing, administering, dispensing, or selling at retail of liniments, ointments, and other preparations that are susceptible of external use only and that contain narcotic drugs in such combinations as prevent their being readily extracted from such liniments, ointments, or preparations, except that this act shall apply to all liniments, ointments, and other preparations that contain coca leaves in any quantity or combination.

The exemptions authorized by this section shall be subject to the following conditions:

(1) No person shall dispense, or sell under the exemptions of this section, to any one person, or for the use of any one person or animal, any preparation or preparations included within this section, when he knows, or can by reasonable diligence ascertain, that such dispensing or selling will provide the person to whom or for whose use, or the owner of the animal for the use of which, such preparation is prescribed, administered, dispensed, or sold, within any two consecutive days with more than two grains of opium, or more than one grain of morphine, or of any of its salts, or more than four grains of codeine or of any of its salts, or more than one-quarter of a grain of heroin or of any of its salts, or more than one grain of extract of cannabis or one grain of any more potent derivative or preparation of cannabis.

(2) The medicinal preparation, or the liniment, ointment, or other preparation susceptible of external use only, prescribed, administered, dispensed, or sold, shall contain in addition to the narcotic drug in it, some drug or drugs conferring upon it medicinal qualities other than those possessed by the narcotic drug alone.

Such preparation shall be prescribed, administered, dispensed, and sold in good faith as a medicine, and not for the purpose of evading the provisions of this act.

Nothing in this section shall be construed to limit the kind and quantity of any narcotic drug that may be prescribed, administered, dispensed, or sold to any person, or for the use of any person or animal, when it is prescribed, administered, dispensed, or sold in compliance with the general provisions of this act.

No person other than a manufacturer or wholesaler shall dispense or sell tincture opii camphorata, commonly known as paregoric, to any person without a written prescription from a duly licensed physician, dentist, veterinarian, or other authorized person.

RECORD TO BE KEPT

Physicians, dentists, veterinarians, and other authorized persons

SEC. 11. (a) Every physician, dentist, veterinarian, or other person who is authorized to administer or professionally use narcotic drugs shall keep a record of such drugs received by him, and a record of all such drugs administered, dispensed, or professionally used by him otherwise than by prescription in accordance with the provisions of subsection (e) of this section. It shall, however, be deemed a sufficient compliance with this subsection if any such person using small quantities of solutions or other preparation of such drugs for local application shall keep a record of the quantity, character, and potency of such solutions or other preparations purchased or made up by him, and of the dates when purchased or made up, without keeping a record of

the amount of such solution or other preparation applied by him to individual patients: *Provided*, That no record need be kept of narcotic drugs administered, dispensed, or professionally used in the treatment of any one patient when the amount administered, dispensed, or professionally used for that purpose does not exceed in any 48 consecutive hours (1) 4 grains of opium, or (2) one-half of a grain of morphine or of any of its salts, or (3) 2 grains of codeine or of any of its salts, or (4) one-fourth of a grain of heroin or of any of its salts, or (5) 1 grain of extract of cannabis, or 1 grain of any more potent derivative or preparation of cannabis, or (6) a quantity of any other narcotic drug or any combination of narcotic drugs that does not exceed in pharmacologic potency any one of the drugs named above in the quantity stated.

MANUFACTURERS AND WHOLESALERS

(b) Manufacturers and wholesalers shall keep records of all narcotic drugs compounded, mixed, cultivated, grown, or by any other process produced or prepared, and of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

APOTHECARIES

(c) Apothecaries shall keep records of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

VENDORS OF EXEMPTED PREPARATIONS

(d) Every person who purchases for resale, or who sells narcotic drug preparations exempted by section 10 of this act, shall keep a record showing the quantities and kinds thereof received and sold, or disposed of otherwise, in accordance with the provisions of subsection (e) of this section.

FORM AND PRESERVATION OF RECORDS

(e) The form of records shall be prescribed by the health officer of the District of Columbia. The record of narcotic drugs received shall in every case show the date of receipt, the name and address of the person from whom received, and the kind and quantity of drugs received; the kind and quantity of narcotic drugs produced or removed from process of manufacture, and the date of such production or removal from process of manufacture; and the record shall in every case show the proportion of morphine, cocaine, or ecgonine contained in or producible from crude opium or coca leaves received or produced, and the proportion of resin contained in or producible from the plant *Cannabis sativa L.* received or produced. The record of all narcotic drugs sold, administered, dispensed, or otherwise disposed of shall show the date of selling, administering, or dispensing, the name and address of the person to whom, or for whose use, or the owner and species of animal for which the drugs were sold, administered, or dispensed, and the kind and quantity of drugs. Every such record shall be kept for a period of 2 years from the date of the transaction recorded. The keeping of a record required by or under the Federal narcotic laws, containing substantially the same information as is specified above, shall constitute compliance with this section, except that every such record shall contain a detailed list of narcotic drugs lost, destroyed, or stolen, if any, the kind and quantity of such drugs, and the date of the discovery of such loss, destruction, or theft.

LABELS

SEC. 12. (a) Whenever a manufacturer sells or dispenses a narcotic drug, and whenever a wholesaler sells or dispenses a narcotic drug in a package prepared by him, he shall securely affix to each package in which that drug is contained a label showing in legible English the name and address of the vendor and the quantity, kind, and form of narcotic drug contained therein. No person, except an apothecary for the purpose of filling a prescription under this act, shall alter, deface, or remove any label so affixed.

(b) Whenever an apothecary sells or dispenses any narcotic drug on a prescription issued by a physician, dentist, or veterinarian he shall affix to the container in which such drug is sold or dispensed a label showing his own name, address, and registry number, or the name, address, and registry number of the apothecary for whom he is lawfully acting; the name and address of the patient, or, if the patient is an animal, the name and address of the owner of the animal and the species of the animal; the name, address, and registry number of the physician, dentist, or veterinarian by whom the prescription was written; and such directions as may be stated on the prescription. No person shall alter, deface, or remove any label so affixed as long as any of the original contents remain.

AUTHORIZED POSSESSION OF NARCOTIC DRUGS BY INDIVIDUAL

SEC. 13. A person to whom or for whose use any narcotic drug has been prescribed, sold, or dispensed by a physician, dentist, apothecary, or other person authorized under the provisions of section 6 of this act, and the owner of any animal for which any such drug has been prescribed, sold, or dispensed by a veterinarian, may lawfully possess it only in the container in which it was delivered to him by the person selling or dispensing the same.

SEARCH WARRANTS

SEC. 14. (a) A search warrant may be issued by any judge of the police court of the District of Columbia or by a United States commissioner for the District of Columbia when any narcotic drugs are manufactured, possessed, controlled, sold, prescribed, administered, dispensed, or compounded, in violation of the provisions of this act, and any such narcotic drugs and any other property designed for use in connection with such unlawful manu-

facturing, possessing, controlling, selling, prescribing, administering, dispensing, or compounding, may be seized thereunder, and shall be subject to such disposition as the court may make thereof and such narcotic drugs may be taken on the warrant from any house or other place in which they are concealed.

(b) A search warrant cannot be issued but upon probable cause supported by affidavit particularly describing the property and the place to be searched.

(c) The judge or commissioner must, before issuing the warrant, examine on oath the complainant and any witnesses he may produce, and require their affidavits or take their depositions in writing and cause them to be subscribed by the parties making them.

(d) The affidavits or depositions must set forth the facts tending to establish the grounds of the application or probable cause for believing that they exist.

(e) If the judge or commissioner is thereupon satisfied of the existence of the grounds of the application or that there is probable cause to believe their existence, he must issue a search warrant, signed by him, to the major and superintendent of police of the District of Columbia or any member of the Metropolitan Police Department, stating the particular grounds or probable cause for its issue and the names of the persons whose affidavits have been taken in support thereof, and commanding him forthwith to search the place named for the property specified and to bring it before the judge or commissioner.

(f) A search warrant may in all cases be served by any of the officers mentioned in its direction, but by no other person, except in aid of the officer on his requiring it, he being present and acting in its execution.

(g) The officer may break open any outer or inner door or window of a house, or any part of a house, or anything therein, to execute the warrant, if, after notice of his authority and purpose, he is refused admittance.

(h) The judge or commissioner must insert a direction in the warrant that it be served in the daytime unless the affidavit is positive that the property is in the place to be searched in which case he must insert a direction that it be served at any time in the day or night.

(i) A search warrant must be executed and returned to the judge or commissioner who issued it within 10 days after its date; after the expiration of this time the warrant, unless executed, is void.

(j) When the officer takes property under the warrant, he must give a copy of the warrant together with a receipt for the property taken (specifying it in detail) to the person from whom it was taken by him, or in whose possession it was found; or in the absence of any person, he must leave it in the place where he found the property.

(k) The officer must forthwith return the warrant to the judge or commissioner and deliver to him a written inventory of the property taken, made publicly or in the presence of the person from whose possession it was taken, and of the applicant for the warrant, if they are present, verified by the affidavit of the officer at the foot of the inventory and taken before the judge or commissioner at the time, to the follow in effect: "I, the officer by whom this warrant was executed, do swear that the above inventory contains a true and detailed account of all the property taken by me on the warrant."

(l) The judge or commissioner must thereupon, if required, deliver a copy of the inventory to the person from whose possession the property was taken and to the applicant for the warrant.

(m) The judge or commissioner must annex the affidavits, search warrant, return, inventory, and evidence, and at once file the same, together with a copy of the record of his proceedings, with the clerk of the police court.

(n) Whoever shall knowingly and willfully obstruct, resist, or oppose any such officer or person in serving or attempting to serve or execute any such search warrant, or shall assault, beat, or wound any such officer or person, knowing him to be an officer or person so authorized, shall be fined not more than \$1,000 or imprisoned not more than 2 years.

PERSONS AND CORPORATIONS EXEMPTED

Sec. 15. The provisions of this act restricting the possession and having control of narcotic drugs shall not apply to common carriers or to warehousemen, while engaged in lawfully transporting or storing such drugs, or to any employee of the same acting within the scope of his employment; or to public officers or their employees in the performance of their official duties requiring possession or control of narcotic drugs; or to temporary incidental possession by employees or agents of persons lawfully entitled to possession, or by persons whose possession is for the purpose of aiding public officers in performing their official duties.

COMMON NUISANCES

Sec. 16. Any store, shop, warehouse, dwelling house, building, vehicle, boat, aircraft, or any place whatever, which is resorted to by narcotic drug addicts for the purpose of using narcotic drugs or which is used for the illegal keeping or selling of the same, shall be deemed a common nuisance. No person shall keep or maintain such a common nuisance.

NARCOTIC DRUGS TO BE DELIVERED TO STATE OFFICIAL, AND SO FORTH

Sec. 17. All narcotic drugs, the lawful possession of which is not established or the title to which cannot be ascertained, which

have come into the custody of a peace officer, shall be forfeited, and disposed of as follows:

(a) Except as in this section otherwise provided, the court or magistrate having jurisdiction shall order such narcotic drugs forfeited and destroyed. A record of the place where said drugs were seized, of the kinds and quantities of drugs so destroyed, and of the time, place, and manner of destruction shall be kept, and a return under oath, reporting said destruction, shall be made to the court or magistrate and to the United States Commissioner of Narcotics, by the officer who destroys them.

(b) Upon written application by the health officer of the District of Columbia, the court or magistrate by whom the forfeiture of narcotic drugs has been decreed may order the delivery of any of them, except heroin and its salts and derivatives, to said health officer of the District of Columbia for distribution or destruction, as hereinafter provided.

(c) Upon application by any hospital within the District of Columbia not operated for private gain, the health officer of the District of Columbia may, in his discretion, deliver any narcotic drugs that have come into his custody by authority of this section to the applicant for medicinal use. The health officer may from time to time deliver excess stocks of such narcotic drugs to the United States Commissioner of Narcotics, or may destroy the same.

(d) The health officer of the District of Columbia shall keep a full and complete record of all drugs received and of all drugs disposed of, showing the exact kinds, quantities, and forms of such drugs; the persons from whom received and to whom delivered; by whose authority received, delivered, and destroyed; and the dates of the receipt, disposal, or destruction, which record shall be open to inspection by all Federal or District of Columbia officers charged with the enforcement of Federal and District narcotic laws.

NOTICE OF CONVICTION TO BE SENT TO LICENSING BOARD

Sec. 18. On the conviction of any person of the violation of any provision of this act, a copy of the judgment and sentence, and of the opinion of the court or magistrate, if any opinion be filed, shall be sent by the clerk of the court, or by the magistrate, to the board or officer, if any, by whom the convicted defendant has been licensed or registered to practice his profession or to carry on his business, and the said board or officer may in its or his discretion suspend or revoke the license of the convicted defendant to practice his profession or to carry on his business. On the application of any person whose license or registration has been suspended or revoked, and upon proper showing for good cause, said board or officer may reinstate such license or registration.

RECORDS CONFIDENTIAL

Sec. 19. Prescriptions, orders, and records, required by this act, and stocks of narcotic drugs, shall be open for inspection only to Federal and District of Columbia officers whose duty it is to enforce the laws of the District of Columbia or of the United States relating to narcotic drugs. No officer having knowledge by virtue of his office of any such prescription, order, or record shall divulge such knowledge, except in connection with a prosecution or proceeding in court or before a licensing or registration board or officer, to which prosecution or proceeding the person to whom such prescriptions, orders, or records relate is a party.

FRAUD OR DECEIT

Sec. 20. (a) No person shall obtain or attempt to obtain a narcotic drug, or procure or attempt to procure the administration of a narcotic drug, (1) by fraud, deceit, misrepresentation, or subterfuge; or (2) by the forgery or alteration of a prescription or of any written order; or (3) by the concealment of a material fact; or (4) by the use of a false name or the giving of a false address.

(b) Information communicated to a physician in an effort unlawfully to procure a narcotic drug or unlawfully to procure the administration of any such drug shall not be deemed a privileged communication.

(c) No person shall willfully make a false statement in any prescription, order, report, or record required by this act.

(d) No person shall, for the purpose of obtaining a narcotic drug, falsely assume the title of or represent himself to be a manufacturer, wholesaler, apothecary, physician, dentist, veterinarian, or other authorized person.

(e) No person shall make or utter any false or forged prescription or false or forged written order.

(f) No person shall affix any false or forged label to a package or receptacle containing narcotic drugs.

(g) The provisions of this section shall apply to all transactions relating to narcotic drugs under the provisions of section 10 of this act, in the same way as they apply to transactions under all other sections.

Exceptions and exemptions not required to be negated

Sec. 21. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of this act, it shall not be necessary to negative any exception, excuse, proviso, or exemption, contained in this act, and the burden of proof of any such exception, excuse, proviso, or exemption shall be upon the defendant.

Enforcement and cooperation

SEC. 22. It is hereby made the duty of the major and superintendent of police of the District of Columbia to enforce all provisions of this act, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States relating to narcotic drugs.

PENALTIES

SEC. 23. Any person violating any provision of this act shall upon conviction be punished, for the first offense, by a fine not exceeding \$1,000, or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, and for any subsequent offense by a fine not exceeding \$5,000 or by imprisonment for not exceeding 10 years, or by both such fine and imprisonment.

EFFECT OF ACQUITTAL OR CONVICTION UNDER FEDERAL NARCOTIC LAWS

SEC. 24. No person shall be prosecuted for a violation of any provision of this act if such person has been acquitted or convicted under any United States statute governing the sale or distribution of narcotic drugs, of the same act or omission which, it is alleged, constitutes a violation of this act.

CONSTITUTIONALITY

SEC. 25. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

INCONSISTENT LAWS REPEALED

SEC. 26. All acts or parts of acts which are inconsistent with the provisions of this act are hereby repealed.

NAME OF ACT

SEC. 27. This act may be cited as the "Uniform Narcotic Drug Act."

With the following committee amendments:

Page 3, line 25, after the word "plant" and the semicolon, insert the following: "fiber produced from such stalks."

Page 4, line 4, after the word "therefrom" and the semicolon, insert "fiber."

Page 4, line 10, after the word "leaves", insert the word "Cannabis."

Page 4 line 18 strike out the words "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 4, after line 23, insert the following:
"(s) 'Board of Pharmacy' means the Board of Pharmacy of the District of Columbia as provided by act of Congress approved May 7, 1906, as amended (D. C. Code of 1929, title 20, part 3, sec. 198)."

Page 5, line 13, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 5, line 15, strike out "\$5" and insert "\$10."

Page 5 line 16 strike out "health officer" and insert "Board of Pharmacy."

Page 5, line 17, strike out "health officer" and insert "Board of Pharmacy."

Page 5, line 20, strike out "him" and insert "it."

Page 6, line 4, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 6, line 17, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 6, line 19, strike out "health officer" and insert "Board."

Page 7, line 5, after the word "act" and the period, strike out all of line 5 and lines 6, 7, and 8 and insert the following: "It shall be unlawful for a manufacturer or wholesaler to sell, barter, exchange, or give away any preparation or remedy described in section 6 of the act of Congress approved December 17, 1914, entitled 'An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes', as amended, which contains not more than two grains of opium, or not more than one-fourth of a grain of morphine or not more than one-eighth of a grain of heroin, or not more than one grain of codeine, or any salt or derivative of any of them in one fluid or avoirdupois ounce, except in pursuance of a written order, on a form to be issued in blank by the District of Columbia Board of Pharmacy. Every person who shall accept any such order, and in pursuance thereof shall sell, barter, exchange, or give away any of the aforesaid preparations shall preserve such order for a period of 2 years in such a way as to be readily accessible to inspection by any officer or agent authorized for that purpose."

"The Board of Pharmacy shall cause suitable written order forms to be prepared for the purchase of narcotics for which no form is provided by the United States Commissioner of Narcotics, and shall cause the same to be for sale by said Board at a cost not to exceed \$1 a hundred, to those persons who shall have registered under the Federal narcotic laws. The Board of Pharmacy shall keep an account of the number of forms sold and the names and addresses of the purchasers and the serial numbers of such forms sold to each purchaser. Whenever the Board of Pharmacy shall sell any such forms it shall cause the name and address of the purchaser thereof to be plainly written or stamped thereon before delivering the same. The said Board is authorized and directed to make such rules and regulations, not inconsistent with law, as it

may deem necessary for the administration and enforcement of this act.

"It shall be deemed a compliance with this section if the parties to the transaction have complied with the Federal narcotic laws respecting official order forms if such order forms are authorized and required by Federal laws, or, if no such order form is provided, then with the rules and regulations of the Board of Pharmacy respecting official order forms."

Page 14, line 11, after the word "salts" and the comma, strike out the balance of line 11 and all of lines 12 and 13.

Page 14, strike out all of lines 24 and 25, and on page 15 all of lines 1 to 13, inclusive.

Page 15, line 14, strike out "(2)" and insert "(1)."

Page 16, strike out lines 4 to 8, inclusive, and insert the following:

"Manufacturers or wholesalers shall sell tincture opii camphorata, commonly known as paregoric, only in accordance with the provisions of sections 5 and 6 of this act on official written order forms provided for that purpose by the Board of Pharmacy. It shall be unlawful for any person to bring into or have in his possession for sale in the District of Columbia any paregoric unless an official written order form has been issued therefor. No person shall dispense or sell any paregoric at retail to any person without a prescription from a duly licensed physician, dentist, veterinarian, or other duly authorized person. Prescriptions shall be retained and filed as provided in section 8."

Page 17, line 6, strike out "preparation" and insert "preparations."

Page 17, line 12, after the word "patients" and the colon, strike out the balance of line 12 and all of lines 13 to 25, inclusive.

Page 18, line 19, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 25, line 23, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 2, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 5, strike out "(e)" and insert "(c)."

Page 26, line 7, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 8, strike out "his" and insert "its."

Page 26, line 9, strike out "his" and insert "its."

Page 26, line 10, strike out "health officer" and insert "Board of Pharmacy."

Page 26, line 14, strike out "health officer" and insert "Board of Pharmacy."

Page 29, after line 22, insert the following:

"The Commissioners of the District of Columbia are authorized to employ such personal services for the clerical work of the Board of Pharmacy as may be necessary to carry out the provisions of this act and to provide for the expenses of said board, including the cost of preparation and distribution of such official order forms as may be provided by the regulations of the Board of Pharmacy. Salaries of employees shall be fixed in accordance with the Classification Act of 1923, as amended. The Commissioners of the District of Columbia shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized."

Page 30, line 11, after the word "act" and the comma, insert the following: "or of any regulation made by the Board of Pharmacy under authority of this act."

Page 30, line 14, strike out "not exceeding \$1,000" and insert "of not less than \$100 nor more than \$1,000."

Page 30, line 17, strike out "not exceeding \$5,000" and insert "of not less than \$500 nor more than \$5,000."

The committee amendments were agreed to.

Mr. PATMAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the Supreme Court of the United States on January 6, 1936, declared unconstitutional that part of the Agricultural Adjustment Act which permitted the levying of a processing tax for the benefit of growers of basic agricultural products and which provided for production control. This decision has placed the farmers in a deplorable condition. The Constitution clearly and unmistakably gives Congress the power to levy such a tax as the processing tax to promote the general welfare, and this power in the Constitution is by specific language. Congress carried out that power in the passage of the Agricultural Adjustment Act.

PROCESSING TAX

Through this law people in the United States paid 3 or 4 cents more for each shirt or a few cents more for every dozen handkerchiefs or a small fraction of a cent more for each loaf of bread, but the money was used to give the farmers of this Nation a fair price. It was intended to eventually give the farmers parity prices and parity incomes and to place them on equality with industry. This money went into the pockets of the farmer, and by promoting the interest of the farmers the general welfare of the Nation was thereby promoted.

SAME AS PROTECTIVE TARIFF

This is exactly what has been done for industry in this Nation for almost a hundred years. The people pay more for manufactured articles than they would have to pay were it not for the protective tariff. The difference in what they do pay and the world price, or what they would have to pay were it not for the protective tariff, goes into the pockets of the manufacturers, which in turn is paid to stockholders, officers, wage earners, and others. This is intended to increase the price of labor and assist what was at one time our infant industries.

The processing tax was intended to do the same thing, and did do the same thing for the farmers that the protective tariff is doing for industry. We were in no position to do away with the processing tax until a better method of assisting the farmers was discovered.

SUPREME COURT HOLDS FARMING LOCAL INDUSTRY

In order for the Court to hold that this law was unconstitutional they were compelled to hold that farming is a local industry and that it is not promoting the general welfare of the Nation to raise the buying power of almost one-third of the people of this country, who represent a submerged group. I estimate that a very large percentage of the people of this country who are ill-clad, ill-fed, and ill-housed are in the farm group, and I cannot understand how any court can hold that it is not promoting the general welfare of the people to help such a large group, who are so greatly in need of help, who are discriminated against, and who will use the assistance granted to help all other classes and groups in the Nation.

SIXTEENTH AMENDMENT

In 1895, by a 5-to-4 decision, the Supreme Court held unconstitutional an income-tax law passed by Congress. It required many years for Congress to submit and finally get adopted by three-fourths of the States a constitutional amendment which gave Congress the specific power to levy and collect an income tax. When the question of amending the Constitution was before Congress, the Members wisely decided that the language to be used in the proposed amendment to be submitted should be clear, unambiguous, absolutely to the point, and could not be construed but one way and that was to give unlimited power to Congress to levy and collect taxes on incomes. So the amendment was written, giving Congress the power to levy and collect taxes on incomes—with the use of a phrase that is just as understandable as the English language can be made—"from whatever source derived."

PLAIN LANGUAGE

Anyone can devote his entire time and attention to the question of preparing a phrase that will give Congress complete and full power to levy a tax on incomes on anybody on any kind of incomes the remainder of his life, and if he lives to be 100 years old, it is my belief that he will not be able to submit language that will embrace more or include more than the language in the sixteenth amendment. In other words, Congress was given the power to lay and collect taxes on income from whatever source derived.

LANGUAGE PLAIN

Does this language include the power of Congress to levy and collect income taxes on the salaries of Federal judges, United States Senators, Representatives in Congress, State, county, or city officers, dividends on stocks or bonds, profits made by doctors, lawyers, and other professional men in the pursuit of their professions, income from State bonds, income from Federal bonds, income from any legal activity engaged in by any person, firm, or corporation, or any income from any illegal activity engaged in by any person, firm, or corporation? The answer is, Yes. It includes the power of Congress to pass a law that will cause all these classes and groups to pay taxes on incomes from any source if the English language means what it says.

The exact language of the sixteenth amendment to the Constitution is, "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived * * *"

FEDERAL JUDGE SALARY HELD NOT TAXABLE

The first case that came up under this amendment was one involving the salary of a Federal judge. Congress had passed an income-tax law to compel him to pay such a tax along with others. The judge said that the Constitution provided that his salary could not be diminished during his term of office and that he had been appointed before the sixteenth amendment was effective.

Government counsel contended that the Constitution had been amended by the sixteenth amendment, which gave Congress the right to tax his salary; furthermore, even if the Constitution had not been amended, the Federal judge's salary was not diminished; it was actually paid to him; that he placed it in his own pocket and later on he was called upon to take part of that money from his pocket and assume the ordinary duties of citizenship, that is, to pay the same part, in proportion, to the support of the Government that all other citizens earning the same amount were required to pay.

Ordinarily one would think that the argument was unanswerable and that there would be no way to read around the language in the sixteenth amendment. However, the Court did read around this language and, by a 7 to 2 decision, held that the Federal judge's salary was not taxable. This, incidentally, exempted their own salaries from taxation. I do not claim this influenced their decision.

It is not encouraging to the people to start out on a battle lasting perhaps a decade to amend the Constitution when it can be read around so easily, especially in view of the fact that the people made their language so plain and clear in the sixteenth amendment, and it was read around.

COUNTRY SHOULD REMAIN PROGRESSIVE UNDER LEADERSHIP OF PRESIDENT ROOSEVELT

The Court has demonstrated, however, that if the people are progressive and want progressive legislation, the members of the Court are willing to be liberal in their views—more liberal than they have been in the past. They have demonstrated this only in the last year or year and a half. Therefore, if the people desire the Supreme Court to render decisions in accordance with what many of us consider to be common sense and reason and without technically construing every word in the Constitution when considering statutes intimately touching the general welfare they should see to it that this country remains progressive as it is today under the leadership of our great President, Franklin D. Roosevelt.

WILL OUR AGED CITIZENS CONTINUE TO RECEIVE ASSISTANCE?

Should this country go reactionary at the elections this fall, the people will have no assurance that any of the New Deal measures will pass the constitutional test by the Supreme Court.

It should be remembered that there are many important measures that have not been declared constitutional. If the country remains progressive, probably they will be upheld. If the country goes reactionary, they will possibly be held unconstitutional.

I refer particularly to the following laws that have not been held constitutional.

- (a) Soil Conservation Act.
- (b) Old-age assistance.
- (c) New railroad retirement law.
- (d) The new relief bill, including W. P. A. and expenditures for the needy and hungry.
- (e) Securities and Exchange Act, which is the only proper control over Wall Street.
- (f) Truth in Securities Act.
- (g) Holding Company Act.
- (h) Federal Power Commission, insofar as it applied to navigable streams, the act has been declared constitutional but not so as to nonnavigable streams.

(i) T. V. A., which is now permitting the American people to save \$550,000,000 a year. The Supreme Court, in passing upon one T. V. A. case, only passed upon the question of erecting Wilson Dam, which was erected under war powers, and the decision was specifically limited to it. This dam was

used to make munitions for war purposes. Now 18 utilities are challenging the whole T. V. A. program.

- (j) Rural electrification.
- (k) Electric Home and Farm Authority.
- (l) Commercial Credit Corporation, which makes loans to farmers.
- (m) Feed and seed loans.
- (n) Production credit corporations and associations.
- (o) Civilian conservation camps.
- (p) Rural resettlement under farm security, including loans to tenants to buy homes.
- (q) Federal housing.
- (r) Guaranty of bank deposits, and others.

People who are receiving old-age assistance and those who are interested in them should wake up and realize the situation. Farmers and other people who are interested in the prosperity of the farmer should consider what might happen if the country should go reactionary. All the railroad employees, their loved ones, friends, and well-wishers should take heed. Our poor, unfortunate people who are receiving relief because they are unable to obtain a job to earn a living and those who are interested in these good people should give consideration to this subject. Those who want the greed of Wall Street restrained and the racketeering activities of this group curbed should consider what might happen if the country goes reactionary. All people affected by these other laws and those who believe that the general welfare of the country is being promoted by their enactment should seriously consider what might happen if the country goes reactionary. I do not believe it will go reactionary. I think it will remain progressive.

GET THE TRUTH TO THE PEOPLE

The public has a very fertile mind; the public is honest; the public is fair; the public will do what is right and just if the public receives the truth. It is our duty as representatives of this Government to get the truth to the people.

A MEETING AT THE BANKERS' CLUB TO DECIDE "WHERE DO WE GO FROM HERE"

Shortly after the reorganization bill was killed I was told that a small Wall Street group, assembled in the Bankers' Club in New York City, and after enjoying a few minutes' conversation about the defeat of the President on the Supreme Court proposal to enlarge the Court and his more recent defeat on the reorganization bill, one of this group stated:

Now since we have upset the President on his Court plan and we have defeated him on the reorganization bill, where do we go from here?

Another spoke up and said:

Industries should not be compelled to pay any part of the tax to provide for unemployment compensation or old-age benefits for their employees; all of this money to create a reserve for these purposes should be paid by the employees or not at all; we must get that tax repealed because industry has to pay such a large part of it.

Another spoke up and said:

The Securities and Exchange Act is causing us lots of trouble. Why should the Government be in the position of protecting the public in the sale of securities? Why should we not be allowed to sell securities as we have in the past, and if the people make a bad guess or a bad buy that is their mistake and should be no concern of our Government. The repeal of this law should be one of our first objectives.

Another spoke up and said:

This yardstick to determine the cost of electric power has cost the power companies hundreds of millions. The Government should not be allowed to create such a yardstick and we should oppose any part of our Federal funds being used to purchase existing utilities or to erect and install utilities in competition with them regardless of the rates charged the people.

It is interesting to note how quickly those who are selfishly interested take advantage of every opportunity to go back to what they call the old order of things. If they can get the country to become reactionary they will likely be successful in achieving their objectives.

COURT CAN DECIDE EITHER WAY AND HAVE PLENTY OF PRECEDENTS TO FOLLOW

The courts have plenty of precedents to pick from regardless of the way they want to hold. If they really want to hold a law constitutional, plenty of precedents can be found to support their views. If they want to hold a law unconstitutional, they can also find plenty of precedents to support their views.

There is only one way the people can be sure that the sound and necessary laws their chosen representatives have placed upon the statute books will be upheld in the courts, and that is to stand by Franklin D. Roosevelt and elect New Deal candidates at the polls so that the liberal sentiment of the country will be clear to the judiciary.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to insert certain excerpts and statements.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some tables on Federal, State, and local finance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

ZONING OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9844) providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes, and ask that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to promote the health, safety, morals, convenience, order, prosperity, and general welfare of the District of Columbia and its planning and orderly development as the National Capital, the Zoning Commission created by the act of March 1, 1920 (41 Stat. 500), is hereby empowered, in accordance with the conditions and procedures specified in this act, to regulate the location, height, bulk, number of stories and sizes of buildings and other structures, the percentage of lot which may be occupied, the sizes of yards, courts, and other open spaces, the density and distribution of population, and the uses of buildings, structures, and land for trade, industry, residence, recreation, public activities, or other purposes; and for the purpose of such regulation said Commission may divide the District of Columbia into districts or zones of such number, shape, and area as said Zoning Commission may determine, and within such districts may regulate the erection, construction, reconstruction, alteration, conversion, maintenance, and uses of buildings and structures and the uses of land. All such regulations shall be uniform for each class or kind of building throughout each district, but the regulations in one district may differ from those in other districts.

SEC. 2. Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the street, to secure safety from fire, panic, and other dangers, to promote health and the general welfare, to provide adequate light and air, to prevent the overcrowding of land, and to promote such distribution of population and of the uses of land as would tend to create conditions favorable to health, safety, transportation, prosperity, civic activity, and recreational, educational, and cultural opportunities, and as would tend to further economy and efficiency in the supply of public services. Such regulations shall be made with reasonable consideration, among other things, of the character of the respective districts and their suitability for the uses provided in the regulations, and with a view to encouraging stability of districts and of land values therein.

SEC. 3. The regulations heretofore adopted by the Zoning Commission under the authority of the above-mentioned act of March 1, 1920 (41 Stat. 500), and in force at the date of the taking effect of this act, including the maps which at said date accompany and are a part of such regulations, shall be deemed to have been made and adopted and in force under this present act and shall be and continue in force and effect until and as they may be amended by the Zoning Commission as authorized by this act.

The Zoning Commission may from time to time amend the regulations or any of them or the maps or any of them. Before putting into effect any amendment or amendments of said regulations, or of said map or maps, the Zoning Commission shall hold a public hearing thereon, at least 15 days' notice of the time and place of which shall be published in a daily newspaper or newspapers of general circulation in the District of Columbia. Such published notice shall include a general summary of the proposed amendment or amendments of the regulation or regulations and the boundaries of the territory or territories included in the amendment or amendments of the map or maps, and the time and place of the hearing.

Sec. 4. Any amendment of the regulations or any of them or of the maps or any of them shall require the favorable vote of not less than a full majority of the members of the Commission.

Sec. 5. A Zoning Advisory Council is hereby created to be composed of a representative designated by the National Capital Park and Planning Commission, a representative designated by the Zoning Commission of the District of Columbia, and a representative designated by the Commissioners of the District of Columbia. No amendment of any zoning regulation or map shall be adopted by the Zoning Commission unless and until such amendment be first submitted to said Zoning Advisory Council and the opinion or report of such Council thereon shall have been received by the Commission: *Provided, however*, That if said Council shall fail to transmit its opinion and advice within 30 days from the date of submission to it, then in such event the Zoning Commission shall have the right to proceed to act upon the proposed amendment without further waiting for the receipt of the opinion and advice of said Council.

Sec. 6. The permissible height of buildings in any district shall not exceed the maximum height of buildings now authorized upon any street in any part of the District of Columbia by the act of Congress approved June 1, 1910, and amendments thereto, regulating the height of buildings in the District of Columbia.

Sec. 7. The lawful use of a building or premises as existing and lawful at the time of the original adoption of any regulation heretofore adopted under the authority of the aforesaid act of March 1, 1920, or, in the case of any regulation hereafter adopted under this act, at the time of such adoption, may be continued although such use does not conform with the provisions of such regulation. The Zoning Commission may, in its regulations, provide for the termination of nonconforming uses, either by specifying the period or periods within which nonconforming uses shall be required to cease or by providing a formula or formulas whereby the compulsory termination of a nonconforming use shall be so fixed as to allow a reasonable period for the recovery or amortization of the investment in the nonconformance. The Zoning Commission may in its discretion provide in the zoning regulations for the restoration, reconstruction, extension, or substitution of nonconforming uses upon such terms and conditions as may be set forth in the regulations.

Sec. 8. A board of zoning adjustment is hereby created which shall be composed of five members appointed by the Commissioners of the District of Columbia, namely, one member of the National Capital Park and Planning Commission or a member of the staff thereof to be designated in either case by such Commission; one member of the Zoning Commission or a member of the staff thereof to be designated in either case by such Commission; and three other members, who are bona fide residents of the District of Columbia, to be designated by the Commissioners of the said District.

The representative of the National Capital Park and Planning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The representative of the Zoning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The terms of the three members designated by the Commissioners of the District of Columbia shall be 3 years each, excepting that, in the case of the initial appointments, one shall be for a term of 1 year and one for a term of 2 years. In case of any vacancy in the position of any of the three members designated by the Commissioners of the District of Columbia, the same shall be filed for the remainder of the term.

The Zoning Commission may provide and specify in its zoning regulations general rules to govern the organization and procedure of the Board of Adjustment not inconsistent with the provisions of this act, and the Board of Adjustment may adopt supplemental rules of procedure which shall be subject to the approval of the Zoning Commission. The Board of Adjustment shall choose its chairman and its other officers. All meetings of the Board shall be open to the public. The Board shall keep minutes of its proceedings showing the vote of each member upon each question, or, if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the Board and shall be a public record.

The regulations adopted by the Zoning Commission may provide that the Board of Adjustment may, in appropriate cases and sub-

ject to appropriate principles, standards, rules, conditions, and safeguards set forth in the regulations, make special exceptions to the provisions of the zoning regulations in harmony with their general purpose and intent. The Commission may also authorize the Board of Adjustment to interpret the zoning maps and pass upon disputed questions of lot lines or district boundary lines or similar questions as they arise in the administration of the regulations.

The Board of Adjustment shall not have the power to amend any regulation or map.

Appeals to the Board of Adjustment may be taken by any person aggrieved, or by any officer or department of the government of the District of Columbia or the Federal Government affected, by any decision of the inspector of buildings granting or refusing a building permit or granting or withholding a certificate of occupancy, or any other administrative decision based in whole or part upon any zoning regulation or map adopted under this act. The Commissioners of the District of Columbia may require and fix the fee to be charged for an appeal, which fee shall be paid, as directed by said Commissioners, with the filing of the appeal.

Upon appeals the Board of Adjustment shall have the following powers:

(1) To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, decision, determination, or refusal made by the inspector of buildings or the Commissioners of the District of Columbia or any other administrative officer or body in the carrying out or enforcement of any regulation adopted pursuant to this act.

(2) To hear and decide, in accordance with the provisions of the regulations adopted by the Zoning Commission, requests for special exceptions or map interpretations or for decisions upon other special questions upon which such Board is required or authorized by the regulations to pass.

(3) Where, by reason of exceptional narrowness, shallowness, or shape of a specific piece of property at the time of the original adoption of the regulations or by reason of exceptional topographical conditions or other extraordinary or exceptional situation or condition of a specific piece of property, the strict application of any regulation adopted under this act would result in peculiar and exceptional practical difficulties to or exceptional and undue hardship upon the owner of such property, to authorize, upon an appeal relating to such property, a variance from such strict application so as to relieve such difficulties or hardship, provided such relief can be granted without substantial detriment to the public good and without substantially impairing the intent, purpose, and integrity of the zone plan as embodied in the zoning regulations and map.

The concurring vote of not less than a full majority of the members of the Board shall be necessary for any decision or order.

Sec. 9. A copy of any map established by said Zoning Commission and of its zoning regulations shall be filed in the office of the Engineer Commissioner of the District of Columbia. A copy of any regulation or any amendment adopted after the passage of this act shall be published once in one or more daily newspapers printed in the District of Columbia for the information of all concerned.

Sec. 10. It shall be unlawful to erect, construct, reconstruct, convert, or alter any building or structure or part thereof within the District of Columbia without obtaining a building permit from the inspector of buildings, and said inspector shall not issue any permit for the erection, construction, reconstruction, conversion, or alteration of any building or structure, or any part thereof, unless the plans of and for the proposed erection, construction, reconstruction, conversion, or alteration fully conform to the provisions of this act and of the regulations adopted under this act. In the event that said regulations provide for the issuance of certificates of occupancy or other form of permit to use, it shall be unlawful to use any building, structure, or land until such certificate or permit be first obtained. It shall be unlawful to erect, construct, reconstruct, alter, convert, or maintain or to use any building, structure, or part thereof or any land within the District of Columbia in violation of the provisions of this act or of any of the provisions of the regulations adopted under this act. The owner or person in charge of or maintaining any such building or land or any other person who erects, constructs, reconstructs, alters, converts, maintains, or uses any building or structure or part thereof or land in violation of this act or of any regulation adopted under this act, shall upon conviction for such violation on information filed in the police court of the District of Columbia by the corporation counsel or any of his assistants in the name of said District and which court is hereby authorized to hear and determine such cases, be punished by a fine of not more than \$100 per day for each and every day such violation shall continue. The corporation counsel of the District of Columbia or any neighboring property owner or occupant who would be specially damaged by any such violation may, in addition to all other remedies provided by law, institute injunction, mandamus, or other appropriate action or proceeding to prevent such unlawful erection, construction, reconstruction, alteration, conversion, maintenance, or use, or to correct or abate such violation or to prevent the occupancy of such building, structure, or land.

Sec. 11. The Commissioners of the District of Columbia shall enforce the regulations adopted under the authority hereof. Nothing herein contained shall be construed to limit the authority

of the Commissioners of the District of Columbia to make municipal regulations which are not inconsistent with the provisions of this act and the regulations adopted hereunder.

SEC. 12. Wherever the regulations made under the authority of this act require a greater width or size of yards, courts, or other open spaces, or require a lower height of buildings or smaller number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in or under any other statute or municipal regulations, the regulations made under authority of this act shall govern. Wherever the provisions of any other statute or municipal regulations require a greater width or size of yards, courts, or other open spaces or require a lower height of buildings or smaller number of stories or require a greater percentage of lot to be left unoccupied or impose other higher standards than are required by the regulations made under authority of this act, the provisions of such other statute or municipal regulation shall govern.

SEC. 13. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning regulations, shall be deemed to include any modification of the text or phraseology of the regulations or of any provision of the regulations or any regulation or any repeal or elimination of any regulation or regulations or part thereof or any addition to the regulations or any new regulation or any change of or in the wording or content of the regulations. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning maps or any map, shall be deemed to include any change in the number, shape, boundary, or area of any district or districts, any repeal or abolition of any such map or any part thereof, any addition to any such map, any new map or maps, or any other change in the maps or any map.

SEC. 14. Appropriations are hereby authorized to carry out the provisions of this act for the fiscal year ending June 30, 1938, and thereafter the Commissioners of the District of Columbia are authorized and directed to include in their annual estimates such amounts as may be required for salaries and expenses incident to such purposes. The Commissioners are authorized to employ such personal services as may be necessary to carry out the provisions of this act, and the salaries of such employees, other than members of the Board of Zoning Adjustment, are to be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall fix the compensation of the members of the Board of Zoning Adjustment, without reference to the provisions of the Classification Act: *Provided, however*, That no compensation for service as a member of said Board shall be provided for any member who holds a salaried public office or position in the District of Columbia or the Federal Governments.

SEC. 15. The act entitled "An act to regulate the height, area, and use of buildings in the District of Columbia and to create a Zoning Commission, and for other purposes," being the act of March 1, 1920 (41 Stat. 500), excepting the provisions thereof creating the Zoning Commission, providing for its membership and service without additional compensation, is hereby repealed. All laws or parts of other laws in conflict with the provisions of this act are hereby repealed.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 10, lines 7 and 20, before the word "alter," insert the word "substantially."

Page 10, lines 11 and 14, before the word "alteration," insert "substantially."

Page 11, line 1, before the word "alters" insert "substantially."

Mr. COLE of New York. Mr. Speaker, as the bill is now drawn, a person who desires to alter his building is required to get a permit from the zoning authority. If he fails to get a permit, he is subject to a penalty of \$100 per day. The effect of that requirement would be that any home owner who desired to cut an opening in any room or install a new window or a new doorway would have to get a permit and would be subject to a penalty of \$100 a day for failure to do so. The amendment I have offered requires that the alteration be a substantial alteration before the owner or constructor is required to get a permit and be subject to the penalty. I trust my amendment is satisfactory to the chairman of the committee.

Mr. PALMISANO. Mr. Speaker, this amendment is satisfactory to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA DWELLING ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10642) to amend an act entitled "District of Columbia Alley

Dwelling Act," approved June 12, 1934, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 12, 1934, entitled "District of Columbia Alley Dwelling Act," be, and the same is hereby, amended as follows:

TITLE I

SEC. 1. This title may be cited as title I of District of Columbia Alley Dwelling Act amendments of 1938.

SEC. 2. That section 1 is amended to read as follows:

"It is hereby declared to be a matter of legislative determination that the conditions existing in the District of Columbia with respect to the use of buildings in alleys as dwellings for human habitation are injurious to the public health, safety, morals, and welfare, and it is hereby declared to be the policy of the United States to protect and promote the welfare of the inhabitants of the seat of the Government by eliminating all such injurious conditions by employing all means necessary and appropriate for the purpose, and that control by regulatory processes having proved inadequate and insufficient to remedy the evils, it is in the judgment of Congress necessary to acquire property in the District of Columbia by gift, purchase, or the use of eminent domain in order to effectuate the declared policy by the discontinuance of the use for human habitation in the District of Columbia of buildings in alleys, and thereby to eliminate the communities in the inhabited alleys in said District, and to provide decent, safe, adequate, and sanitary habitations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings under the terms of this act, and to prevent an acute shortage of decent, safe, adequate, and sanitary dwellings for persons of low income, and to carry out the policy declared in the act approved May 18, 1918, as amended, of caring for the alley population in the District of Columbia, and to that end it is necessary to enact the provisions hereinafter set forth."

SEC. 3. That section 1 (a) is amended to read as follows:

"That in order to remedy the conditions and evils hereinbefore recited and to carry out the policy hereinbefore declared, the President is hereby authorized and empowered to acquire by purchase, gift, condemnation, or otherwise—

"1. Any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia;

"2. Any land, buildings, or structures, or any interest therein, within any square containing an inhabited alley, the acquisition of which is reasonably necessary for utilization of the property acquired, by replating, improvement, or otherwise, pursuant to the provisions of this act; and

"3. Any other land, together with any structures that may be located thereon, in the District of Columbia that may be necessary to provide decent, safe, adequate, and sanitary housing accommodations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings pursuant to the provisions of the District of Columbia Alley Dwelling Act and title I hereof."

SEC. 4. That section 1 (c) is amended to read as follows:

"The Authority is hereby authorized and empowered to lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures acquired under this act, for such amounts and upon such terms and conditions as it may determine: *Provided*, That sales of real property shall be made to the highest responsible bidder on terms satisfactory to the Authority after advertising for 3 consecutive weeks in at least one daily newspaper of general circulation and published in the District of Columbia: *Provided, however*, That the Authority may, without advertising, sell such property to a quasi-public institution or agency at not less than the cost of such property to the Authority, including improvements: *Provided further*, That if any such lands, buildings, or structures are required for the purposes of the United States or of the District of Columbia, they may be transferred thereto upon payment to the Authority of the reasonable value thereof."

SEC. 5. That section 3 is amended by adding thereto the following:

"(e) In carrying out the provisions of this act, the Authority is hereby authorized and empowered (1) to procure services or make any purchase without regard to the provisions of section 3709 of the Revised Statutes (41 U. S. C. 5), provided the aggregate amount involved is not more than \$100, (2) to purchase books of reference, directories, and periodicals that are necessary in connection with its work."

SEC. 6. That section 3 (b) is hereby amended by adding thereto the following:

"The Authority is hereby authorized and empowered to accept gifts of money from private sources; to borrow from the Treasury of the United States not to exceed \$1,000,000 in the fiscal year ending June 30, 1939, and a like sum in each of the four succeeding fiscal years, upon such terms and conditions as the President

may deem advisable, and appropriations for such purpose are hereby authorized out of the general fund of the Treasury."

SEC. 7. That section 3 (d) is amended to read as follows:

"The total amount paid for property or properties acquired, except by condemnation in any square shall not exceed 30 percent over and above the current assessed value of all the property or properties acquired in such square to carry out the provisions of this act."

TITLE II

SEC. 201. This title may be cited as title II of District of Columbia Alley Dwelling Act amendments of 1938.

SEC. 202. As used in this title—

(a) "Housing project" shall mean any low-rent housing (as defined in the United States Housing Act of 1937), the development or administration of which is assisted by the United States Housing Authority.

(b) "Development" shall mean any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a housing project, but not beyond the point of physical completion.

SEC. 203. In addition to its other powers, the Alley Dwelling Authority (herein referred to as the "Authority") shall have the power to acquire sites for and to prepare, carry out, acquire, lease, and operate housing projects as defined in section 202 of this title and to construct or provide for the construction, reconstruction, improvement, alteration, or repair of any such housing project or any part thereof in the District of Columbia.

SEC. 204. For the purposes of this title the Authority shall be considered a public housing agency within the meaning of and to carry out the purposes of the United States Housing Act of 1937 and as such is empowered to borrow money or accept contributions, grants, or other financial assistance from the United States Housing Authority for or in aid of any housing project in the District of Columbia in accordance with the United States Housing Act of 1937, to take over or lease or manage any such housing project or undertaking constructed, owned, or operated by the United States Housing Authority, and to those ends to comply with such conditions and enter into such mortgages, trust indentures, leases, or agreements as may be necessary, convenient, or desirable: *Provided*, That the tax exemption of the property of the Authority shall be deemed a contribution by the District of Columbia in accordance with the requirements of section 10 (a) or section 11 (f) of the United States Housing Act of 1937 requiring local contributions. It is the purpose and intent of this title to authorize the Authority to do any and all things necessary to secure the financial aid of the United States Housing Authority in the undertaking, construction, maintenance, or operation of any housing project by the Authority.

SEC. 205. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects, the District of Columbia as a contribution, or any department, instrumentality, or agency thereof, may upon such terms, with or without consideration, as it may determine:

(a) Dedicate, sell, convey, or lease any of its property to the Authority;

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer, or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake;

(d) Enter into agreements with the Authority respecting action to be taken pursuant to any of the powers granted by this act;

(e) Cause services to be furnished to the Authority of the character which it is otherwise empowered to furnish;

(f) Enter into agreements with the Authority respecting the elimination of unsafe, insanitary, or unfit dwellings; and

(g) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

SEC. 206. The Commissioners of the District of Columbia are hereby authorized to loan to the Authority such amounts as may be necessary to enable the Authority to comply with the provisions of the United States Housing Act of 1937, and appropriations for such purpose are hereby authorized out of the revenues of the District of Columbia, and the Authority is empowered to accept such loans.

SEC. 207. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of either title of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

With the following committee amendments:

Page 1, line 9, after the word "that", insert "the first paragraph of."

Page 4, line 8, after the word "made", insert "at public sale."

Page 4, line 14, after the word "agency", insert "not organized or operated for private profit."

Page 5 line 5 after the word "work" insert "(3) to secure architectural and engineering services without regard to the civil-service laws or the Classification Act of 1923, as amended."

Page 5, line 17, after the word "Treasury", insert a colon and the following proviso: "Provided, That the Authority shall be obligated for the payment of interest at the going Federal rate as defined in the United States Housing Act of 1937."

Page 8, line 4, after the word "any", strike out "of its" and insert "needed."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ABOVE RAILROAD TRACKS, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10643) to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.), and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.), as relates to the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co. constructing a suitable viaduct bridge above the said railroads connecting Brentwood Road and T Street NE. with New York Avenue, as requires the construction thereof within 2 years after being directed so to do by the Commissioners of the District of Columbia, is hereby amended by extending such time for initiating this construction to October 20, 1940, and for the completion thereof within 18 months thereafter.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATION OF "OREGON AVENUE"

Mr. PALMISANO. Mr. Speaker, I call up the joint resolution (H. J. Res. 672) for the designation of the street to be known as "Oregon Avenue," and for other purposes.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That, in honor of the State of Oregon, Daniel Road NW., in the District of Columbia, is hereby renamed "Oregon Avenue" and shall hereafter bear the name of "Oregon Avenue."

SEC. 2. The street in the District of Columbia known as "Oregon Avenue" prior to the enactment of this joint resolution is hereby renamed "Swann Street" and shall be a part of the street heretofore designated as "Swann Street."

With the following committee amendment:

Page 1, line 7, after the word "Columbia", insert "running through squares 132 and 152."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLAG FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9475) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, and the president of the Board of Commissioners of the District of Columbia be, and they are hereby, created a commission to procure a design for a distinctive flag for the District of Columbia, the seat of the Capital of the Nation: *Provided*, That in the selection of such design the commission hereby created shall have the advice of the Commission of Fine Arts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10673) to exempt the property of the Young Women's

Christian Association in the District of Columbia from national and municipal taxation, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property of the Young Women's Christian Association of the District of Columbia located in the District of Columbia and occupied and used by such association for its legitimate purposes shall be exempt from all national and municipal taxation so long as such property is so occupied and used.

SEC. 2. The Young Women's Christian Association of the District of Columbia is hereby relieved from any accrued liability to the United States or the District of Columbia for taxes imposed upon any of the property of such association located in the District of Columbia for any tax period during which such property was occupied and used by such association for its legitimate purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COSMETOLOGY

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6869) to regulate the occupation and practices of cosmetology, to create a District of Columbia Board of Cosmetology for the examination and licensing of persons to carry on or to teach such practices, to insure the better education of such practitioners, to provide rules regulating the proper conduct and sanitation of cosmetological establishments and schools, for the protection of the public health, and to provide penalties for violation thereof, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 12, line 14, strike out all after "training" down to and including "made" in line 18.

Page 17, line 17, strike out "third" and insert "second."

Page 17, line 19, after "prescribe", insert "The Commissioners of the District of Columbia are hereby authorized and directed to provide suitable quarters for such examinations."

Page 19, line 16, strike out all after "Sec. 21." down to and including "it" in line 21, and insert "The sanitary regulations for the control of beauty shops and manicuring establishments in the District of Columbia shall be such as are now in force or which may from time to time be promulgated by the Health Department of the District of Columbia, which said department shall have full and complete charge of the enforcement of said sanitary regulations. It."

Page 20, line 8, after "provide", insert ": *Provided further*, That nothing in this act contained shall be construed to limit or repeal any existing rules, regulations, or laws relating to health or sanitation."

Amend the title so as to read: "An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BARBERS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7085) to regulate barbers in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 8, line 9, strike out "health", and insert "Board."

Page 11, after line 19, insert:

"(f) Persons engaged in the practice of physiotherapy or massaging, stimulating, or exercising of the head, neck, arms, bust, or upper part of the body, when done for the purposes of health and hygiene."

Page 12, line 6, after "repealed", insert ": *Provided*, That nothing in this act contained shall be construed to limit or repeal any existing rules, regulations, or laws relating to health or sanitation."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that further business in order on today, Calendar Wednesday, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

UNITED STATES DISTRICT COURT AT WILKES-BARRE, PA.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk a bill (H. R. 9468) to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.," approved May 13, 1936, is amended to read as follows:

"That terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre."

Mr. WALTER (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. MAPES. Mr. Speaker, reserving the right to object, unanimous consent has not yet been granted to consider the legislation.

The SPEAKER pro tempore. The consent has not been granted. The Clerk is reporting the bill for the information of the House.

Mr. MAPES. I understood the gentleman from Pennsylvania to ask unanimous consent to have the bill considered as read.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to dispense with the further reading of the bill. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MAPES. That does not assume that consent to consider the bill has been granted?

The SPEAKER pro tempore. The Chair will put the request of the gentleman for present consideration of the bill after action has been had on his immediate request. Is there objection to dispensing with the further reading of the bill?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MAPES. Reserving the right to object, Mr. Speaker, will the gentleman explain the purpose of the legislation?

Mr. WALTER. Under existing law the authorization for holding terms of court at Wilkes-Barre contains the provision that the authority shall exist so long as suitable accommodations can be provided without expense to the United States. A new post-office building has been constructed that contains quarters and all the accommodations necessary for holding court. The Department of Justice has taken the position that because of this provision in the bill it is impossible to furnish heat or light in the quarters thus provided, as well as janitor service, and the object of the bill is to remove this limitation so that terms of court can be held in the building erected for that purpose.

Mr. MAPES. May I ask the gentleman if the other members of the Committee on the Judiciary know that it was planned to call the bill up now?

Mr. WALTER. Yes; I have spoken to the gentleman from Michigan [Mr. MICHENER] and the gentleman from Kentucky [Mr. ROSSION], and they are both in agreement.

Mr. MAPES. Mr. Speaker, I do not expect to be able to correct the practice, but I think it is a very unfortunate prac-

tice, on these days set aside for the consideration of special legislation, for the Speaker even to entertain a unanimous-consent request to pass other legislation. It is a practice which has grown up particularly in the last few years and I think it is very unfortunate. The membership of the House ought not to be required to stay here to make sure that legislation is not going to be called up unexpectedly or that no one anticipated would be called up. This practice requires the Members who want to be here when legislation is considered to be on the floor unnecessarily almost every minute of the time.

I am not going to object to the gentleman's request, but being here at this particular time I want to register my protest against the procedure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THE NEW FARM ACT

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Speaker, there has been considerable misinformation regarding the purposes and the effect of the new Farm Act. I think even on this floor Members have said that it is a program of scarcity. Of course, it is not that at all. It is a program to balance production and distribution. Other Members have indicated that the crop-control provision is compulsory. Of course, it is not compulsory. The farmer may go in or stay out as he pleases.

There has also been considerable misinformation about the corn-acreage allotment of my part of the country.

For the enlightenment of the Members of the House and other readers of the CONGRESSIONAL RECORD, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point by including parts of an enlightening address by the Secretary of Agriculture recently delivered over the radio.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to extend his own remarks in the RECORD at this point and include portions of an address by the Secretary of Agriculture, to which he has referred. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The matter referred to follows:

For 2 weeks or more middle western farmers have been planting corn. Each man has been deciding for himself whether he will take part in the triple A farm program. I want to talk to the farmers who still are trying to make up their minds about the program and to the city people who will be affected by what they do.

It is important that everyone know what is likely to happen if the Corn Belt farmers back their program and what may happen if they do not. The businessmen, laborers, and consumers who live in the cities have a big stake in the farmers' decision. One reason is that almost all are feeling the effects of the business decline.

The country needs a strong, safe anchor that will keep it from being swept down the stream of deflation as it was in 1932. It needs to keep its engines working so as to be able to pull back upstream to recovery. The farm program can provide both a strong, safe anchor and at least one important engine of recovery.

ACREAGE ALLOTMENTS

Five years ago President Roosevelt signed the first Agricultural Adjustment Act. And just 3 months have passed since the Agricultural Adjustment Act of 1938 became a law.

Under the new farm act every farm in the 566 counties where corn is grown commercially has a corn-acreage allotment. This is the farm's share in the national volume of corn production that will supply all domestic and export needs and, in addition, to maintain an ever-normal granary reserve consisting of double the usual carry-over of corn. This will give better protection against possible crop failure in the future. The goal for the Nation is abundance. The goal for the farmer is conservation of his soil and of his income.

As the Corn Belt farmers finish planting corn, they are individually laying the groundwork for their incomes from corn

next fall. They are making plans, too, for their livestock herds and incomes from livestock in 1939 and 1940. What the Corn Belt farmers do now will have an important influence on the prosperity of the rural areas of the Middle West for the next 2 years. This in turn will affect the buying power of the Middle West for the goods turned out by the labor and industry of eastern cities.

BIG CORN CARRY-OVER

Why do Corn Belt farmers need a farm program? The answer is that they produced a big corn crop last year, and, because of the droughts of 1934 and 1936, there are 12,000,000 head fewer than the usual numbers of livestock to eat it. On April 1, over a billion bushels of last year's corn crop was still in the farm cribs. This was nearly 300,000,000 bushels above average. The corn carry-over next October 1 is expected to be twice the average.

The sober fact is that, with ordinary weather and no farm program, the corn surplus might go up to the highest in history. The result would be a threat of painfully low corn prices. The break of livestock values that always follows a corn price collapse would be just around the corner.

For the sake of the consumer, we are glad that the ever-normal granary for corn is now full. But in order that the ever-normal granary may prove to be a permanent benefit to consumers, it is essential that farmers show their ability to control the overflow.

CHANCE FOR COOPERATION

Formerly, the farmers were helpless to protect themselves when excessive supplies piled up, and business and industry had to share the injury. But the new Farm Act gives the farmers a chance to carry out a cooperative program. If they will only cooperate with each other and with the Government, they can control the overflow and protect the soil, the consumer, and their own incomes.

Every Corn Belt farmer decides for himself whether or not he will take part. If he does take part and plants his crops in line with his allotment, the farmer can assure himself definite payments. He can assure himself that he will avoid the waste of soil that comes from producing soil-depleting crops that are not needed.

GOOD PROPOSITION

The payment to the farmer is intended to make up for his sacrifice in adjusting his acreage. If the farmer thinks he cannot keep within his allotment he will still be eligible to receive some payment if he does not exceed his allotment too much. Taking part in the program is a good business proposition for him as an individual as well as for the Corn Belt and the whole country.

The problem now facing the Corn Belt is so serious that petty and political considerations might well be set aside to make possible the most widespread and united support of the farm program. But instead, new and violent attacks are launched. If successful, these attacks would wreck the usefulness of the farm program for meeting the present emergency. All kinds of baseless accusations are brought.

WOULD AVOID QUOTAS

Most absurd of all, the corn acreage allotments are denounced as "compulsory." The fact is that staying within the allotments is strictly a voluntary proposition. Participation is not only voluntary but, if most farmers should take part, that would head off the need for a referendum next fall on the more rigorous "marketing quotas" provisions for corn.

Farther South, the cotton and tobacco farmers are now using the marketing quotas. They voted for these quotas to meet surplus conditions which, in the Corn Belt, have been averted by the two great droughts.

A WORD TO CRITICS

The problem of these southern farmers has been and is extremely difficult because the total supplies of their crops are so large. They have met very courageously problems more serious than anything the Corn Belt has faced in the last 4 years.

So far as the corn program is concerned, the greater the participation now the less likelihood there will be of a vote on marketing quotas next fall.

If the critics of marketing quotas really were as anxious as we are to avoid a situation which will make their use necessary, these critics would be urging, not opposing, voluntary cooperation at this time.

Where would the course urged by these "old deal" opponents of the farm program really lead? I want to go on record on that right now. In my opinion, their course if followed would lead the farmers back to a disaster like that of 1932.

TO PREVENT OVERFLOW

But no one is pretending that carrying out the farm program is a bed of roses. This program does not eliminate the problem, but deals with it in a systematic way. That is where the acreage allotments come in. A large reserve has been built up for the ever-normal granary and the allotments are the best way that has been worked out to keep an overflow from swamping the farmer.

It is a short time since the act was passed and it is not surprising that there are injustices in some of the allotments. But in the main the farmers' committees have worked hard on them and have done a good, honest job. Many committeemen are still working against time to iron out any mistakes that remain.

CONTROL AGAINST DEFLATION

Now I want to emphasize especially what this program means to businessmen, professional people, and factory and office workers in the cities and towns.

To businessmen, I would point out that so far as farm purchasing power and the farm market are concerned, the Farm Act gives farmers an opportunity to protect themselves against another uncontrolled deflation like that of 1932.

Under the act certain contingencies are to be met with positive steps that are provided for in advance. Without an effective farm program the farm situation could easily be a drag on business. But with an effective farm program the farmers can do their share to bring recovery.

After all, what the people of the United States really want is to have an abundance of needed goods produced on the farm and in the factory and to have these goods distributed to the people who need them. No one wants scarcity, and least of all the farmers.

BIGGEST CROPS EVER

The farmers wonder why on earth they should be accused of scarcity. They know that last year their production of the 55 leading crops was 6 percent greater than ever before in the history of the United States.

At the present moment they know that if ordinary weather continues only their own efforts in cooperation with each other and with the Government will keep them from being swamped by a wasteful and devastating overproduction once more.

But as they look around they see that there is scarcity. Although farm production is up, nonfarm production is a third less than a year ago. In the last year farm prices have fallen 25 percent, while nonfarm prices have fallen only 4 percent.

FABRICIES CLOSED

City scarcity has been brought about by closed factory doors and smokeless factory chimneys, by the idleness of factory workers who have lost their jobs. The farmers realize the average businessman can't help reducing employment when his markets collapse.

But they wonder why the businessmen and the labor leaders do not work out cooperative arrangements among themselves—calling on the Government for such aid as they need—to assure balanced abundance of production.

The farm policies are abundance policies, and the farmers call on the city people to join with them in bringing about that balanced production and distribution which mean abundance for all. Let us rejoice in our abundance and work in sensible fashion to make it a blessing and not a curse.

And, meantime, the farmers ask both business and labor for wholehearted support to help them succeed with the program that is their contribution toward good business for the Nation.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Friday next, after the disposition of legislative matters and of all special orders, I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on Friday next, after the disposition of business on the Speaker's table, the legislative business of the day, and other special orders heretofore made.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HELIUM

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, yesterday I obtained consent to place in the RECORD some correspondence that I have had with the President and with various Members of the Cabinet on the subject of helium. I take the floor at this time to preface that correspondence by these few remarks. It occurred to me in the discussion of the helium problem that some of us feel we should not export any helium. On the other hand, many of us feel that it is a shame that humanity must suffer because of the fact that we do not seem to have dirigibles in which to put this helium. The Germans have. Therefore, this thought presented itself: Would it be possible for us to trade excess farm crops, such as wheat,

cotton, or corn with the Germans for one or two dirigibles, to be operated by a United States Government corporation?

The SPEAKER pro tempore. The time of the gentleman from Connecticut has expired.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, my suggestion is that with the excess farm crops we purchase some dirigibles, to be operated by a 100-percent United States Government corporation, possibly giving the Germans 10 or 20 or 30 percent, whatever would be fair, of the profits of the operations of the line. With that thought in mind, and inasmuch as I was near New York last Saturday, I sought and obtained an interview there with Dr. Eckener, and in connection with that I have addressed the President a letter; also, a letter to various members of the Cabinet; and I respectfully refer the Members of the House to that correspondence, which I shall put into the RECORD, if possible, tomorrow. In closing, may I say that Dr. Eckener—and he is a very polite and affable gentleman and speaks better English than I do—expressed himself as feeling that the dirigible is still a commercial possibility.

The SPEAKER pro tempore. The time of the gentleman from Connecticut has again expired.

Mr. PHILLIPS. Under permission to extend my remarks and include therein correspondence with the President and members of the Cabinet on the subject of the export of helium, I herewith append copy of letter addressed the President and a copy of a letter I sent to various members of the Cabinet:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1933.

HON. FRANKLIN D. ROOSEVELT,

President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The other night, on my way to Connecticut by train, I was reading Commander Rosendahl's new book, entitled "What About the Airship?" In this book he speaks of the history and prospective future of the dirigible and he also reminds us that the Germans constructed for us the obsolete (and should be demolished) *Los Angeles*, now decommissioned at Lakehurst.

As you know, I have been very much opposed to letting the Germans have any helium, and this feeling of mine is stronger than ever, and I might add has received the approbation, as demonstrated by my mail and otherwise, of many people in and out of Congress. However, it has to me seemed a shame that the development of the dirigible—a promising art of transportation—should be held up because of international situations, thus prejudicing the welfare of mankind as a whole.

Turning the matter over in my mind while reading Commander Rosendahl's book, it occurred to me that a common meeting ground between us and the Germans might be arranged now as it was after the war, when they made a dirigible for us as follows: (1) Trade off surplus wheat, corn, or cotton which they may need for one or more dirigibles which the Germans shall turn over to us; (2) the United States Government to organize a commercial dirigible line, using these dirigibles, the latter to be operated by Americans trained by the Germans; (3) the Germans to receive some fair percentage of the profit from the commercial operations of such a line of dirigibles.

With this thought in mind I sought and received an interview with Dr. Eckener last Saturday in New York City, a few hours prior to his departure for Germany on that day. It is not fair to quote other people without their consent, and I, therefore, do not quote Dr. Eckener. However, I received the distinct impression that he reacted somewhat favorably to my suggestion, although I assume that he must take such a subject up with high authority in Germany. I told him that I would place this idea before you. I do it herewith. If you should wish to discuss this matter at further length with me, I would, of course, be very happy to do so.

I might add that I told Dr. Eckener quite frankly that I did not believe the United States should let any helium out of its possession to any foreign nation today. I told him, too, that, in my opinion, the majority of the Members of Congress felt the same way about it as do a majority of the American people.

With warm personal regards,

Very sincerely,

ALFRED N. PHILLIPS, JR.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1938.

HON. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: As you know, I believe that it is the feeling of the majority of the Congress, as well as of the American people, that at this time the United States should not allow any helium to leave its possessions for other countries except for hospital or other medical use.

In conference with Dr. Eckener in New York last Saturday I told him the same thing. However, I suggested the following to Dr. Eckener, and which suggestion I have today referred to the President: (1) That the Germans trade us one or more Zeppelins for some of our surplus farm commodities—wheat, corn, or cotton; (2) that the United States Government organize a commercial dirigible line to operate such airship or airships using American crews, these crews having been trained by Germans; (3) that the Germans receive some fair percentage of profit accruing from the commercial operation of such an air line.

I told Dr. Eckener that I would refer this suggestion to various governmental authorities here. Accordingly I am writing you thus.

Trusting that this or some similar suggestion may be worked out satisfactorily to the benefit of all concerned,

Very sincerely,

ALFRED N. PHILLIPS, JR.

This is similar to a letter sent the Honorable Harold L. Ickes, Secretary of the Interior; Hon. Daniel C. Roper, Secretary of Commerce; Hon. Henry A. Wallace, Secretary of Agriculture; Hon. Harry H. Woodring, Secretary of War.

While on the subject of helium and dirigibles I commend to the attention of all Members of Congress Commander Rosendahl's book on this subject, this book recently published and entitled "What About the Airship?"

ORDER OF BUSINESS

MR. MAPES. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

MR. MAPES. Mr. Speaker, the special orders which have been entered from time to time have provided for speaking after the close of the legislative business of the day. On one or two occasions recently unanimous consent has been requested and granted at the close of those speeches to take up and pass some particular bill. May I ask the present occupant of the chair if the House today may be assured that there will be no further legislation today?

The SPEAKER pro tempore. The present occupant of the chair states for the information of the gentleman from Michigan that no further legislative business is contemplated today than the two special orders.

Under special order heretofore made, the Chair recognizes the gentleman from Nebraska [Mr. BINDERUP] for 30 minutes.

GOVERNMENT MONETARY CONTROL

MR. BINDERUP. Mr. Speaker, before beginning the regular schedule of discussion of my bill today—H. R. 9800—a bill for monetary control, first introduced in the Seventy-fourth Congress and again in the Seventy-fifth Congress, I wish first to make a few outstanding observations:

First, Ninety-seven percent of all of the Nation's money is created by the banks in demand bank deposits, disregarding the constitutional provision in section 8, article I, that provides Congress shall create our money supply and regulate the value of money, which value is established by and according to the volume of money in circulation. We have 15,000 banks in the United States that mint and unmint our money; that tinker with our money supply from the minute they open their doors in the morning until they close at night, loaning their credit by taking your notes and giving you a checkbook. They do not have the money, as evidenced by the statement of the Comptroller of the Currency, whose statement shows the banks have loaned to the people \$26,000,000,000, when all the money in circulation is only \$6,000,000,000. Thus the banks have loaned the people \$20,000,000,000 of thin air and are drawing their interest thereon.

A great deal has been said in earlier terms of Congress and in this term of Congress about the danger there is of Congress tinkering with our monetary supply, when the trouble really is that Congress should have tinkered more with our money system, at least to the extent that they should have

prevented 15,000 banks from doing this very thing, without system and without control, each bank acting individually, without restraint.

I call attention to the fact that banks create booms and depressions, inflate and deflate our money supply, prompted by four characteristics of human nature—selfish greed, or desire for unjustified profits, optimism, and fear. By this method they contract our money supply, and the dollar goes up in value and labor and all commodities go down, causing foreclosures and bankruptcies. Here Wall Street and international bankers and large combinations of vast capital buy; then they deliberately inflate our money supply by lending their credit as money—checkbook money or fountain-pen money—thus making prices go sky high, at which point they sell. It is the endless circle that destroys nations, destroys purchasing power, that appears on the surface as overproduction of labor and commodities. They expand and contract our money supply, without any control whatever by Congress or by the Federal Reserve Board, thereby raising and lowering prices of commodities according to their own liking.

The Federal Reserve Board and the Federal Reserve banks have three ways of creating deflation. They have three ways of creating recessions and depressions, or panics and unemployment. But after they once start these recessions and these panics, and a downward spiral of prices, they have no way of stopping them. To substantiate this fact, I wish to quote Marriner Eccles in his article in the Fortune magazine:

Monetary control is thus an indispensable instrument in controlling booms and depressions. This single instrument, however, has its limitations. Although upper and lower limits to business activity and price movements may be set by effective monetary control, the distance between these limits appears to be wide enough to permit fluctuations of such magnitude as to keep us far from the goal of stable prosperity.

Truly, Mr. Eccles; but why this lack of control? Let me reply. Simply because you lack, first, a legislative mandate that gives you complete control in place of a mere policy by Congress that limits your control; second, because you try to control by taking into the picture Wall Street and the coupon clippers, and our interests are contrary to theirs. They want the very thing we desire to eliminate, namely, fluctuating money, purchasing power. They make their money by prices rising and falling, buying and selling accordingly. You cannot take your enemies to your bosom in accomplishing monetary control. But you can go to the people, the friends of our plan; they will cooperate, for all the interests of the people are identical.

The Federal Reserve Board have no way of creating money or expanding our money supply or of raising price levels. In writing the Federal Reserve Act Congress just forgot this, the most important of all. The situation is as if a general should supply his bugler with three bugle calls for retreat and forget to give him a single bugle call to halt a retreat or to advance.

The Federal Reserve System is an attempt to use bank policy in managing credit. But there is no clear understanding of the relationship of bank policy to commodity prices, and there is no general acceptance of the principle that these banks should consider commodity prices. By means of the discount rate and the purchase and sale of securities it is possible for the banks to do but little in stabilizing prices. The Federal Reserve law involves the questionable idea that the currency should be increased when business is active and curtailed when depressions come. The most illogical and erroneous plan, entirely reversing the plan for monetary control, that should rather restrict inflation by too much money in boom times and supply the sufficient amount in times tending toward depressed prices. The idea that when men are willing to give more notes—inflation—these notes creating more of our demand bank deposit money, is a risky business and a destructive plan. It tends to violent fluctuations rather than to stabilized prices. The most severe panics this Nation has ever had were since the inception of the Federal Reserve Banking Act in 1920. We started out with the panic of 1920, then followed the panics of 1929 and 1937.

I make the charge, and challenge anyone to deny it, that every one of these panics was started intentionally, deliberately, and premeditatedly by the Federal Reserve Board and the Federal Reserve banks of the United States. I am going to write to Mr. Eccles, Chairman of the Federal Reserve Board, and include these statements and ask him to answer. I feel sure he will, and I want to read Mr. Eccles' reply to you as soon as I receive it.

And now I want to thank you, Mr. Speaker, and this Congress, for the extraordinary privilege that has been extended me to speak for 5 consecutive days on the monetary plan of my bill, H. R. 9800, the bill for monetary control of 1933, a bill that furnishes the only definite plan for the elimination of unemployment that has been troubling this Congress, the thing that has been troubling the world for years. I would like to add, as a little introduction, that I have devoted the greater part of my life, as far as study is concerned, to monetary questions, to banking, and to currency. In order to qualify and fortify myself in this great unequal fight against the opposing forces, Wall Street and international bankers—I use these terms because they have been established in the minds of the American people as the symbol of monetary monopoly and selfish greed, the power that has become more powerful than Government itself—in a conversation with President Roosevelt about a year ago, our President approved my earlier suggestion that I go to Europe at my own expense to confer and learn from outstanding monetary students as well as big banks, thus to strengthen my position, in order to be better prepared to explain the plans of the bill that I have introduced in this Congress for the second time, the bill for Government monetary control.

Let me start out with a little prefatory statement in order to fortify myself that I may, as I always do, gain an inspiration from the greatest statesman this Nation has ever produced. Thomas Jefferson, he who could see through the mists and the clouds and the shadows of a great but mismanaged monetary system, said:

If the American people ever allow private banks to issue their money, first by inflation and then by deflation, the banks and the large corporations that will grow up around them will deprive them of all their property, and their children will wake up homeless on the continent their fathers conquered.

And how well we recognize today the truth of this prophecy of this great statesman. Within the last few days I have received a letter from my district in Nebraska, a report from the agricultural department in my State, in which the writer discloses the startling facts that in three of the outstanding counties of my district, in the Republican Valley, in 1937 in one county 10 percent of the farms were foreclosed; in another one 14, and in the third 22 percent. And then bear in mind, if you please, that twice as many farms are deeded over to the mortgagees by mutual agreements for the privilege of staying one or two more years without rental. When I read that I am convinced that the statement of Thomas Jefferson, "Their children will wake up homeless on the continent their fathers conquered," has become true; the prediction has become a reality.

And this, if you please, in the Republican Valley of Nebraska. I want to quote from the Stock Yards Journal of Omaha, Nebr., this in the year 1928: "More livestock is being shipped from the Republican Valley in Nebraska than from any other like area in the United States." In our great country we are losing our farms by foreclosure, and the Nation is losing its homes, the units in the foundation of our Government, without which no Nation can live, for a group of renters, roaming nomads, have no interest in their Government. How could they love a Government that had robbed them of their homes by a system of inequitable laws that failed to protect the worthy citizens against predatory plundering greed, and sacrificed the Nation's homes? It was Goldsmith who said:

Ill fares the land to hastening ills a prey,
Where wealth accumulates and men decay.
Princes and lords may flourish or may fade
A breath can make them as a breath has made,
But a bold peasantry, our country's pride,
When once destroyed can never be supplied.

Thomas Jefferson said further:

The issuing of the Nation's money should be taken away from the banks and should be given back to the people where it belongs, and as the Constitution provides.

There is another great statesman whose writings inspire me—a great Republican. And let it here be known that the bill I have introduced is decidedly a nonpartisan bill. It was the Republicans themselves who in their platform said that if they were elected to power in Congress they would restore to the people their constitutional right to coin, and regulate, and control their own money. Let me here quote from their platform of 1932:

We pledge a sound currency at all hazards. We will restore to the Congress the authority lodged with it by the Constitution to coin all money and regulate the value thereof.

It was the Progressive Party that said the same thing. Let me quote from the platform of the Progressive Party, 1934:

Credit and money should be controlled by the people through Government-owned central banks—

Meaning, as I understand it, the Federal Reserve banks—which will make the monopoly of credit in private banks impossible.

Let me quote the Farmer-Labor platform of 1934:

Congress shall exercise the constitutional power to coin money and to regulate the value thereof.

Only one party went further on that great issue and assumed a still greater responsibility. That was the Democratic Party. The Democratic Party said for 35 years to the people, they said it again in 1932, and made it still stronger in 1936. I quote from the very first plank of the Democratic platform in 1932:

We maintain that the depression of 1920 and the depression of 1929 were due to the indefensible contraction of credit for private profit at public expense and we pledge the Democratic Party to preserve a sound currency at all hazards. The Democratic candidates pledge their endorsement of this platform 100 percent. We promise to restore property values and to endeavor to establish a dollar of uniform permanent debt-paying power.

And the Democratic Party promised the people in 1936:

We approve the object of a permanent sound currency stabilized so as to prevent the former wide fluctuations in value, injuring, in turn, the producers, debtors, and property owners, on the one hand, and wage earners and creditors, on the other—a currency which will permit full utilization of the country's resources.

Listen to us, said the Democratic Party to the people—

We know just exactly what is the matter with the country. The entire fault lies in the Republican Party. They destroyed our great Nation by the curtailment of credit, by the contraction of currency, taking away from the people their money supply that collapsed prices, first in 1920 when they took away from the people over \$10,000,000,000, and then again in 1929 when they took away over eight billions of our money supply that measures values and establishes prices according to its own supply. Elect us to Congress and we promise you we will correct this monster evil. We will give back to the people their constitutional right to control their own money supply and velocity that regulates prices of labor and all commodities. If you will only elect us Democrats, we will put back into the veins and arteries of trade and commerce the necessary amount of money to again raise the price level to correspond with fixed charges such as interest and taxes and all other fixed charges.

So I say that the greatest responsibility falls on the Democratic Party because they have made this pledge over and over again for 35 years, since the time of William Jennings Bryan. And this sacred promise to the people has remained nothing but a mere promise, an unfulfilled obligation in reply to our mandate from the people we represent. Let me refer for a moment to James A. Garfield. I always like to quote a Republican authority when I refer to a Democrat, as the issue I present in my bill for monetary control is positively nonpartisan. I would recommend to anyone who wants to know about the monetary question and wants to understand it, that he read the writings of Mr. James A. Garfield, wherein he said, among many other emphatic statements:

Whoever controls the volume of money in any country is absolute master of all trade and industry.

And it would not much have changed the thing if James A. Garfield had made that passage read that the power that controls the volume of money in every country holds within

the palm of its hand the welfare of every man, woman, and child. The power that controls the volume of money in every country positively and absolutely controls employment and unemployment. It controls and dictates poverty or progress. It distributes happiness or sorrow at its own will. It exchanges the cupboard of plenty for soup kitchens and bread lines.

Mr. Speaker, I want to make a statement, and I hope I may not be considered radical, because the righteousness of the cause I propound is such that I should guard against this more than anything else, that I may not create any prejudice in the minds of my fellow man. I say premeditatedly and after full consideration that Wall Street and the international bankers and large organizations and associations and corporations of vast capital are the political cancers at the heart of our great Government. They would crucify humanity upon the altar of human greed. They are more dangerous to the principles of a great, free democracy than is a standing foreign enemy upon our shores.

In all the prisons of the world and down in the depths of hell there is no system, there is no group of men who have created more misery and want, more starvation and deprivation, more sorrow and suffering, more suicides, murders, and wars than selfish greed and centralized wealth, concentrated in money monopoly, that creates our booms and depressions.

Now please do not call me radical. Let me ask you, Am I radical because I want to give back to the people their constitutional right to coin and control their money, or are they radical that have taken from the people this, their constitutional right and privilege? I remember at one time making that statement over the radio and I well remember a letter I got in reply. I want to mention this because it goes right to the very point I want to emphasize. I received a letter from a certain man in Omaha, Nebr., after having made the statement over the radio, in which the writer said:

You are always raving and ranting about the international bankers and about these large organizations of vast capital. Why do you always talk about that out here in Nebraska? We don't have any international bankers out here. Why do you not go to New York and talk to Wall Street? Why don't you go down and tell J. Pierpont Morgan about it. We are not interested out here, and anyway what's the use of telling us about it?

I never answered that letter, although I usually answer my correspondence. But, if I should ever meet that man from Omaha, I would like to tell him a little story about Wendell Phillips when he became so enthusiastic about the freedom of the slaves that he left his home and traveled along the north side of the Mason and Dixon's line talking about the sinfulness of human slavery and urging the Nation to abandon this sinful way. One day his train was moving along slowly and stopped at a little station. A number of men got on the train wearing their round, high collars, frock coats, and silk hats. Wendell Phillips made up his mind that it was just a bunch of preachers who had likely been attending a conference. The train had just started out when one of the southern ministers came up, tapped him on the shoulder, and said, "I believe I recognize in you that young upstart who is traveling around here talking about making the slaves free. Am I right?" Wendell Phillips replied, "Yes; I have consecrated my life to that holy cause, that our Nation may forever discontinue human slavery." The minister said, "What is the use of talking about that up in the North? They don't have any slaves up here. Why don't you go down to the slave owners in the South and talk to them?" Wendell Phillips replied, "I believe I recognize in you a minister of the gospel, do I not?" And the minister said, "Yes." "It is your business to preach against the devil and the imps of hell, is it not?" The minister again replied that it was, and Wendell Phillips replied "Then why don't you go to hell and do your preaching?"

I want to bring out especially this fact that all reform comes from the outside. Reform never comes from the inside. When our monetary system is to be changed, as it will and must be if this Nation shall live, that reform must

come from the outside and not from the inside. Not from the Federal Reserve Board, in its present status paid by the Federal Reserve banks. How impossible. Would you expect protection from our police department if their salaries were paid by the bootleggers, kidnapers, and racketeers, and you had not even supplied them with the power to enforce your rights, neither gun nor club nor the right to determine nor power to arrest? Well, that is about what you have done with the Federal Reserve Board. You gave them a big job when you asked them to control predatory, plundering Wall Street, and maintain a price level and an equal purchasing power of the dollar and to stop booms and depressions, and you did not even give them any power to enforce. Did not even supply them with mandatory legislation and a definite plan, but left them vulnerable to the ravages of selfish greed. The Federal Reserve Board under their present authority could no more control our money supply than they could control the wind. So let us give them mandatory power and if they fail to use it, fire them all or any number thereof immediately.

Another mistake: With few exceptions we have always appointed bankers on our Federal Reserve Board. If that policy is right, why do not we appoint the presidents of railroads on the Interstate Commerce Commission to regulate the railroads, or the presidents of breweries to control the liquor traffic? We should allow the present members of the Federal Reserve Board to remain for the time they have been appointed and then replace them with new members, not bankers. For the Federal Reserve Board members need not understand banking; there should not be a banker on the Federal Reserve Board, because the Government must go out of the banking business and quit lending money, and the banks must go out of the Government business and quit creating money.

It was the original intention of the Constitution that we, the people, should create the money. And by custom it was planned that the banks should lend the money, but using the phrase of our good friend the gentleman from New York, Mr. HAMILTON FISH, "We have traded overcoats." The result has been that today the banks create the money and the Government lends the money, contrary to the intent of the Constitution.

I want to make another outstanding statement, if you please, and let it be remembered. There never was in the history of our Nation nor in the history of any nation in the world a period of unemployment but what that period of unemployment was preceded by a period of money scarcity. And there never has been a period of money scarcity in the history of any nation in the world but what it was followed by a period of unemployment. So we do know what causes unemployment and we do understand what causes money scarcity.

In this present period of economic darkness, how many million times the people have asked, "What is the trouble with our great Nation?" Sitting upon the largest pile of gold that has ever been accumulated in any nation, and surrounded by all the great blessings that an Almighty God could give to a people, with so much to eat that we are destroying the precious foodstuffs, wheat, and meats, while millions are starving and other millions are hungry, and still other millions would fain have more; destroying cotton, the great staple product, destroying thus clothing and bedding, while millions are cold and freezing and ragged; too much of the great necessities as well as the luxuries of life, too much of everything, too many natural resources and too much labor, and still in want and suffering. The farmer is losing his farm and the laboring man is losing his job and his home, and the Nation is losing its homes, that are the units in the great foundation of our Government, and without these home units our great Nation cannot live.

Thus in the midst of plenty and abundance we are starving to death and the great institutions of civilization are being destroyed. We have asked each other, How can it be? What is this strange, peculiar power that causes the collapse of a great Nation in the midst of plenty? But we do know

what causes this disastrous condition. We do know what causes unemployment, panics, and depressions. We know, for we have definitely linked together money scarcity, maldistribution, and unemployment. We do know money is the wheels of distribution and without these wheels the world stands still, or even worse, it goes back to the dark ages.

But there must be a more direct approach to the solution of this disastrous condition, a first step to the solution of this terrible evil of booms and depressions, that so disastrously affect the welfare of every man, woman, and child. Yes; there is. The first trouble is an uninformed public that cannot see nor find the cause, and unless we know the cause it is impossible to find a cure. The first trouble is, we do not understand our money system, and the second trouble is that the other fellow (Wall Street) does understand. And there is an infallible law that knowledge is light and wisdom is power and the small minority that do know and understand have ever made slaves out of the great majority of those who do not know, that cannot understand.

The maldistribution of wealth is caused merely because we, the great masses, do not understand distribution. The little minority does understand, and the minority that understands is more powerful and more mighty than the vast majority that does not understand. If the people do not understand our money system, the first logical step is to simplify our system so it is easier to understand, in fact so that every child can understand, as every child must use it from the time we buy our first stick of candy in life until the doctor and undertaker are paid at the other end of life. Let us, my fellow Members of Congress, face things as they are. Let us quit just merely complaining, but rather look to the cause and find the remedy or cure.

I shall never forget my first disappointment and surprise when first I came to Congress over 4 years ago and began to speak of the cause of our depressions and spoke of the money question. Nearly every Congressman I talked to shook his head and waved his hands and said, "Don't talk to me about the money question, because that is a thing I cannot understand. That is too complicated for me." Well, it is somewhat complicated, and there is no reason why it should be complicated. So the bill I am presenting to you in the next session of Congress simplifies the monetary system.

Why should we, for example, have gold for money, and silver for money, and subsidiary coins of various consistencies of alloy and silver, and Federal Reserve notes, Federal Reserve bank notes, the Treasury notes of 1890, greenbacks, and all of these various kinds of money? Why this complicated system?

First, let us relieve that positively unnecessary conglomeration and confusion. Why not take all the gold and all the silver and all the various kinds of money and put them into one sack? Then in the sack let us put a billion times more, not alone the gold that is down in Kentucky, but the natural resources of the earth, the gold that is still out in the Rocky Mountains. Let us put all of that prospective gold in there with it. Let us put in the sack the energy and honor of the greatest people in the world, and \$300,000,000,000 of national wealth. Then we have put into the sack exactly the same as we base all our Government bonds on, and here I wish to pause a moment to challenge the Congress. I say, why not? And I challenge the world to show even the slightest shadow of a reason why this should not be done, and thus simplify our money system as the first step, and have just one kind of money.

Let anyone try to explain the impossible, why we should issue gold certificates on gold alone, and silver certificates on silver alone, and Federal Reserve notes and Federal Reserve bank notes on banks alone, that are so miserably weak and uncertain that every bank in the Nation would have gone broke a few years ago had not Uncle Sam come to the rescue and given them \$3,500,000,000 to use at 3½ percent and extending payment indefinitely if they could not pay, and we are still extending payment. Why not base all our money on everything, collectively, and call it Government

credit. I say again, the same as we base Government bonds and postage stamps on.

Consider the gold down in the hole in Kentucky, where we are trying to hide it so other fools believing in gold cannot get it. We have lately had a vast army down there in Kentucky maneuvering around that hole, practicing in case some foreign enemy might come over to take this gold. We have had tanks, airplanes, and machine guns and every conceivable implement of war there to stimulate our imagination. Would it not be wonderful if all this gold could fall through to the center of the earth where no one could get it and we did not have to protect it, as it certainly has no value except for filling decayed teeth, and so forth.

Thirty-three nations of the world are now off the gold standard, or in a sort of a twilight zone like ourselves, where we do not really know if we are halfway on a gold standard or entirely off. Our money no longer states, "Payable in gold," but just "lawful money." And how silly to protect this gold with shot and shell, when J. P. Morgan or international bankers could take all that gold out of the hole with the stroke of a fountain pen. Under the international agreement that trade balances must be paid in gold, suppose England or other foreign nations should suddenly become a little frightened, perhaps because of some local or foreign war scare, and would all at once decide to sell their industrial bonds and other securities they hold in this country, which amount to about \$10,000,000,000, thus creating a trade balance in Europe's favor. They could take all the gold out of that hole down there in Kentucky with a fountain pen. The same operation as we performed last week when we took \$1,400,000,000 out of the hole with a fountain pen, writing a telegram, and distributed this amount in the 12 privately owned Federal Reserve banks. No; not taking the gold out of the hole, but just switching the title or ownership from Uncle Sam to these banks.

Just who was it that prompted this unfair deal? Do not tell me it was the will of the people, for by this procedure we donated to the banks just another cold \$27,600,000,000 combining with the donation the previous privilege granted to the banks allowing them to expand the gold through the Federal Reserve Banking System 20 times by substituting notes on Tom, Dick, and Harry, and Government bonds, just giving the United States Government credit on their books for these bonds placed as security, the banks still owning the bonds, still drawing the interest, still remaining tax-free. Through the small commercial banks only 5 percent gold reserve is necessary, and suppose J. P. Morgan wanted to take the gold out with a fountain pen. He would just make a fictitious sale of billions of dollars in securities to some of his English cohorts or branch banks, and they, in turn, would sell the American securities here and demand the trade balance created in connection with European goods sold here; demanding exchange in the English pound would make it necessary for us to take gold to buy the English pounds and would transfer our gold out of the Kentucky hole.

And so you can call the entire Army and all the tanks and cannon and airplanes around that hole down there in Kentucky, and with all this, just a fountain pen can transfer all the gold out of the hole. Yes; truly the pen is mightier than the sword.

Yes, my friends and fellow Members of Congress, gold is the most deceptive money any nation ever had. It is like the story of the Irishman's flea. An interesting little thing happened out in my district relative to gold. When we conscripted gold in 1934 we had a banker who liked gold awfully well, a genuine gold-standard banker. A lady brought in a few thousand dollars in gold she had had buried for a number of years, now brought out by the President's edict when he conscripted all the gold. This banker was just going to Canada, and he took with him some of this gold. When he got to Canada he went to a bank there and said, "I want to get change for this \$20 gold piece," and the banker gave him his change which was 19 cents short of the \$20. The banker protested this short change. "Why,

I gave you \$20 in gold," said he. And the banker said, "Your gold piece is 19 cents short in weight; some of its weight has been worn away by usage."

Our good banker took back his gold piece and handed the Canadian banker a couple of \$10 bills, greenbacks, and the banker smiled and said, "That's real money," and gave him in change 100 percent and explained, "You see your gold is based on gold only, while your greenbacks are based on the entire credit of your Nation, and are always good for just what they say on the face of them. Your gold coins are dishonest; they lie most of the time and are seldom good for the amount stated on the face."

So I say the first thing we should do is to have money that is irredeemable money. Let us have money behind which there is the wealth of the country, just one kind of money, and eliminate this silly and corrupt variety that creates a mystery of our money system.

Some time ago I was talking with a member of the Federal Reserve Board, and, apparently a little impatient with me, he said, "My goodness, can't you see we have just as much money in circulation today as we had in 1926, the date you are taking as your standard or yardstick, determining your price level, which amount was \$26,000,000,000 then, the same as it is now?" and I said to him, "But, my good man, Uncle Sam has grown about 10,000,000 people since that time. He has thousands of new industries, each taking more money, and money has been lost and destroyed and used in the arts. So the same amount is not nearly enough. In fact you are about \$18,000,000,000 short and much more than that in actual circulation. And, as I said, Uncle Sam grows not alone in population"—

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Is it not a fact that in 1890 we had 60,000,000 population and that now we have more than 130,000,000?

Mr. BINDERUP. Yes. Consequently the volume of money must grow, not alone to keep up with the population, because population may be the smaller part of it, but to keep up with the thousands of new industries and inventions and industries.

SHALL THE BLIND CONTINUE TO LEAD THE BLIND?

Mr. Speaker, the thing that is holding back business is not the fear of commodities going up and down but the fear that our dollar will go up or down. We cannot know just what the bankers will do with our money, and we are scared to invest in anything. The best investment now is, as it has been for sometime, an investment in dollars, for as they become more scarce or fail to keep up with a growing nation, they are raising daily in purchasing power. So I, for example, like all others, am investing in dollars in a tin can, or a sock, or in idle demand bank deposits, and again, like all others, because of a ridiculous monetary system, contribute to the Nation's collapse.

When you note our price level on 784 commodities you will see that they vary but little in a barter one for the other, but when you measure the entire 784 commodities which rise and fall all together, there is a terrible variation in general prices that makes business most unsafe, because the dollar becomes scarce or more plentiful, just as our bankers decree in loaning or calling loans that constitute our demand deposits, which are 97 percent of our money supply, checkbook money, and that varies the price of the 784 commodities, according to its own supply as compared with the supply and demand for commodities.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes, I yield to the gentleman from Michigan.

Mr. CRAWFORD. When the gentleman makes the statement that he fears money going up and down instead of commodities, he means he fears the expansion and con-

traction lever being pulled so that this thing we call money is destroyed.

Mr. BINDERUP. That is what I mean, and I thank the gentleman for bringing that point out more forcefully and clearly.

Mr. CRAWFORD. While I am on my feet, in view of the fact that the time is about up, I wish in the gentleman's next presentation, he would be prepared to comment upon a statement made by Dr. Goldenweiser, one of the experts at the Federal Reserve Board, in which he said in substance—and I will give the gentleman the exact quotation if he wishes—that we have no monetary control, that we never did have any monetary control and that we cannot have any monetary control in this country until we are ready to turn over to the monetary-control organization our entire economic activity with reference to production, exchange, prices, and all the rest that goes along with it.

Mr. BINDERUP. That is very good. I will be pleased to comply with this request. I am glad to know Mr. Goldenweiser has thus expressed himself, for the principles giving the Federal Reserve Board control under a definite mandate from Congress are contained in my bill. You know it is a fact, just as Mr. Goldenweiser stated. In a meeting recently when Mr. Eccles, Chairman of the Board of Governors of the Federal Reserve Banks, replied to a question asked by a member of the Committee on Banking and Currency, as to whether there was such a thing as monetary control by the Federal Reserve Board, and he, Mr. Eccles, said he did not believe there was and that we had no monetary control. And he spoke the absolute truth. We do not have monetary control even to the smallest extent. Monetary control is absolutely and positively only in the hands of the banks that inflate and deflate our money supply by making and calling loans. Again the member of the Committee on Banking and Currency asked Mr. Eccles, in my presence:

Is it not possible, Mr. Eccles, that there is some plan whereby we can halt these terrible declines and depressions that destroy our Nation?"

And Mr. Eccles answered and said:

I do not know; I do not know if there is. We are still studying it.

And again Mr. Eccles was asked:

But it seems to me that there ought to be some way found whereby we could eliminate these disastrous booms and depressions that are destroying us.

And again Mr. Eccles repeated his former answer, stating that he did not know of any way, and Congress does not seem to know any way so it is a case of the blind leading the blind.

But Mr. Eccles is right in one way—there is no way to provide Government monetary control so long as we take the international bankers, the enemies of humanity, into the picture with you and take them to your bosom as a partner in this great program. These bankers are the very poison that makes it impossible for the Federal Reserve Board to function. Because their interests are exactly opposite to ours, they want to destroy our plan for Government control and retain this great privilege for themselves as they have in the past; for it is a mighty privilege to create the Nation's money with a fountain pen by selling their worthless credit as the basis for the Nation's money. Remember the banks have issued over \$10,000,000,000 of this fountain-pen money since the year 1933, and we, the people, are paying over a billion dollars to these bankers for the use of such trash as money that bankrupts the Nation on an average once every 6 or 7 years.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may proceed for 10 additional minutes.

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, will not the gentleman modify his request and make it 15 minutes? I would like to ask the gentleman from Nebraska some questions.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I am perfectly willing of course for the gentleman to go ahead as long as he wants to but I think he may prefer to follow his original plan of taking half an hour each day. Further than that, I am so much interested in the things the gentleman is saying that I want to hear all he has to say, yet I have got to go in 5 minutes. I really want to listen to his able address.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. WHITE of Idaho. Has the majority leader any objection to the gentleman's answering questions?

Mr. RAYBURN. I am not going to enter any objection.

The SPEAKER. The Chair may state that there is another special order for today.

Mr. KELLER. Reserving the right to object, will not the gentleman modify his request to make it 5 minutes?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, and I shall not, I just want to remind the Members that the gentleman from Nebraska has permission to address the House for 30 minutes on five consecutive days. I am sure the gentleman has planned his subject accordingly, and I am sure if we let him proceed in his own way he will give us a good deal of help. I am sure if we just let him present the matter to us in his five installments we will all get more out of it.

Mr. MARTIN of Colorado. Mr. Speaker, reserving the right to object, and I shall not, I would like to ask the gentleman when he is going to discuss his plan for keeping money in circulation.

Mr. BINDERUP. I will answer that very briefly.

Mr. MARTIN of Colorado. I do not want the gentleman to answer it now, but I just want to know when he is going to do it.

Mr. BINDERUP. This will all be included within the 5 consecutive days I am privileged to speak. In my talk today I plan to dwell on the fundamental principles of government, monetary-control statistics, and a bit of history on the money question and lay the foundation or the basis on which my monetary bill is builded. I am very grateful to our majority leader, Mr. RAYBURN, and to the Congress for this extraordinary privilege granted me in being allowed to speak on my bill for 5 consecutive days, and I hesitate in asking for more time which, however, I do greatly appreciate.

The SPEAKER pro tempore. Is there objection to the request that the gentleman from Nebraska may proceed for 5 additional minutes?

There was no objection.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Ohio.

Mr. FLETCHER. I would like to ask the gentleman from Nebraska if he does not have his program arranged in the form of continuity for using 30 minutes on 5 consecutive days.

Mr. BINDERUP. I do.

Mr. FLETCHER. If at the end of that time we want to extend his time we can give the gentleman further time on an additional day. In this way we shall get the complete continuity and conclusions if we do not interrupt him.

Mr. BINDERUP. I thank the gentleman. I am very glad to be interrupted because that shows a desire for information. That shows something has been left vague in the minds of my listeners. That is the reason I welcome the opportunity to proceed these 5 additional minutes.

Mr. GUYER. Mr. Speaker, I would remind the gentleman that there is another special order pending.

The SPEAKER pro tempore. The gentleman has already been recognized for 5 additional minutes.

Mr. BINDERUP. Mr. Speaker, answering the question, because it was a very splendid question and brings up an important phase, I go back to the time the Federal Reserve bank was first contemplated in 1913. At that time 11 plans were under consideration. They soon disposed of seven of

them, keeping only four; and in these they included the plan of open-market operations—buying and selling Government bonds—raising and lowering the rediscount rate, and the raising of reserves back of demand deposits. Three of the plans contemplated taking money out of circulation. Only one plan contemplated putting money into circulation—through the buying of bonds.

The original plan was to sell bonds when you wanted to take money out of circulation and to buy bonds when you wanted to put money into circulation. We have been up against an epoch or time when we wanted to put money into circulation. So we followed our original plan—the plan of the Federal Reserve Board to buy bonds and put money out into circulation—but we found by that process that we immediately eliminated the monetary control of money by the Federal Reserve Board and turned the entire plan over to Wall Street. We found that as soon as the Federal Reserve Board had made the purchase of a bond it was helpless to go on further with the procedure, so they just sat with a canceled check in their lap. They sat with folded arms holding a Government bond marked "paid" and that was all they could do. They had no further power to complete the transaction or the control of money expansion. They had turned the money over to Wall Street and now Wall Street had become the monetary authority absolutely, positively, and alone, of the United States, and it was up to them whether they wanted to put that money into circulation or not. They knew that by the Federal Reserve System we were trying to give monetary control over to the Government as the Constitution provided, but they did not want to destroy their own wonderful business. They knew they had made their billions of dollars by creating the Nation's money with a fountain pen, money with which they had bought the railroads, utilities, the big insurance companies that held the mortgages on our farms, and everything else. They knew the value of this extraordinary privilege or graft, this special privilege of issuing the Nation's money.

And so we found the Federal Reserve System contemplated going into partnership with the Devil Wall Street and international bankers, our very enemies of our plan that, in this, we had taken to our bosom, in our plan the very power that wanted to destroy us, the very cancer, the poison that would destroy us.

And so our plan for putting money into circulation was thrown into the lap of J. P. Morgan, the symbol of money monopoly, and is it any wonder the Federal Reserve Board were stuck? And the worst of it was we had no other plan. We discovered that this plan for expansion of our money supply to keep pace with increased population was impossible. And so we tried to experiment by actually using one of the instrumentalities of the Federal Reserve Act to take money out of circulation, in an effort to put money into circulation. I refer to selling bonds. And so we are now using a screw driver in place of a monkey wrench. The plan of selling bonds was never intended to be used for putting money into circulation, and it just cannot be done, and we should know it by this time. It is the most destructive plan that could possibly be used; it takes money out of circulation, in place of putting money into circulation. We sell our bonds and then we get credit on the books of the big bankers, mostly in New York City, but in a few other large cities. Of course, we never get any money; we just give them Uncle Sam's bond, and we get a checkbook and check on these banks and it becomes a mere bookkeeping transaction; checks that flow in and out of all the banks in the Nation and remain and constitute 97 percent of our money until Uncle Sam pays his bonds, and that apparently means forever, as Uncle Sam never pays, and if he did the Nation would go bankrupt. What a monetary system, builded on debts, public and private! If we pay our debts we go broke, and if we do not pay our debts the law will foreclose, so it is damned if you do and damned if you do not.

While this corrupt system costs us over a billion dollars a year in interest now that the people must pay in taxes, I have said before, and I repeat, suppose it does. Suppose it

costs two, three, or four billion dollars a year. That is not the worst of it. This is a great Nation with unlimited natural resources. And unfair and unjust and unreasonable as it is, we could still live and have a great Nation and a happy people. But let me tell you of the disastrous consequences of this plan—the plan that is destroying us.

The worst of it is when the bankers get these bonds they begin to peddle them out. They sell them, on a commission usually, to 15,000 small banks, located in the rural districts of our Nation, where the people are now starving to death for want of a circulating medium of exchange, and here the 15,000 smaller banks gather up all the money—demand deposits and time deposits in the banks' surpluses and undivided profits—and as the Nation's people have become shorn of equities by monetary contraction in the past, and still going on, and prices of all commodities still on the downward decline, no mortgages are safe for the banks, so they invest in these Government bonds and deplete further the people of the Nation of money, piling it up in the large banks where it remains dormant. Leo Crowley testified recently before the Banking and Currency Committee that \$15,000,000,000 was dormant in the member banks of the Federal Deposit Insurance Corporation. Is it any wonder the Nation is hastening toward disaster with such a monetary program?

And all this money piled up in the banks lies dormant, just waiting for the inevitable—for Uncle Sam to vote more bonds.

About all we have left for a circulating medium is butter and eggs and a little garden truck—going back to the days of barter. And why? Because we are trying to expand and increase our money supply by using the plan of contraction for expansion. To show just the effect our present plan of selling bonds has on the country, let me cite you just one bank; which is the complete picture of all the banks and perfectly reflects just what we are doing in the way of taking money out of circulation.

In 1933 this little bank [referring to a chart], like all banks, did not have any Government bonds, having sold all they had to save their banks as all the banks did in 1933. Now this little bank has on hand nearly \$200,000 in Government bonds. All this money was taken out of the veins and arteries of trade and commerce, dug out of the earth in a rural community that constitutes purchasing power of the Nation, and salted away in Government bonds. We gathered up nickels, dimes, and pennies and we took little reserves and demand deposits to buy bonds. We thereby took that money out of circulation and piled it into the big banks. That is the reason there are \$15,000,000,000 lying idle now in our banks, and the rest of the Nation is in want, positively depleted of a circulating medium of exchange. And the more you take out by this nefarious plan of selling bonds, the less purchasing power we have, and the less loans banks can make and the more demand there will be for Government bonds, until our people are completely broke. We are taking the money out of the rural districts, where the purchasing power of the Nation is and should be, and piling it up in the big banks until we cannot move. There could not have been a more radical, miserable plan concocted for putting money into circulation than to sell bonds, even though you do use—for some 90 days—this fictitious banker's credit, this printing-press money, that vanishes out of the channels of trade and industry like the dew before the summer sun.

This Congress must not adjourn before this disastrous, vicious plan of money expansion is discontinued and a decent, reasonable, practical plan is adopted. [Applause.]

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to my good friend, the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. I rise to suggest that we do not ask the gentleman from Nebraska any question unless he indicates that he would like to have us do so, so that he can carry the thread of his argument through. To my mind these are the out-

standing speeches in this Congress. If the gentleman is right, this country ought to know it; this country ought to be moving along those lines. If money is the sole cause of the difficulty, these study clubs ought to be everywhere in our country. I suggest to the gentleman that if he wants any questions asked he should indicate it to us, and if he does not, then I hope our colleagues will not interrupt the gentleman and that he may proceed to give the thread of his argument, which is very interesting to me.

Mr. BINDERUP. Mr. Speaker, I thank the gentleman for his kind consideration and assistance to me in delivering this message in a comprehensive and attractive manner.

I was asked a short time ago, and consequently the matter is paramount now in my mind, a question by a Member of Congress who said to me, "Why is it that you suggest to expand our money supply through the lower-income groups through the indigents of the Nation, the unworthy, the failures?"

What a crime to call our old people and the noble farmers that have lost their farms the indigents of the Nation. These are the victims of a government that faltered and fumbled and allowed predatory wealth and money monopoly to take from them their everything; that robbed them of their homes and farms and deprived them of their jobs or any method whatsoever of making a living. Payment of old-age pensions is the Nation's honor debt to its worthy citizens. If you want to see the indigents of the Nation, go down where I was some time ago, to Atlantic City, and see the idle rich young men and women loafing around without anything to do. Go among the idle rich in any city, and there you will find the worthless indigents of our country, who have succeeded in creating wealth with a fountain pen and an unjust privilege granted by a government destitute of a plan to protect these who have suffered.

A plan, providing as my bill does, to rehabilitate the farmers, the hundreds of thousands of them, who lost their farms by mortgage foreclosures because our Government fumbled and faltered by allowing money monopoly to destroy our money, the very substance in which their mortgages stipulated payment; lost their farms through no fault of their own only to the extent they should have seen to it that we had governmental monetary control long ago so that these catastrophes could not happen.

I recognize that a monetary plan must protect both the creditor and the debtor. My good friend the Congressman from ——— also asked, "Why not give more to the W. P. A. or in loans to small-business men?" I answered my good friend by saying, "Because if I give the money to W. P. A., I would be creating more dole and no jobs, where with my bill I create more jobs and no dole. If I loan to small-business men, I would merely be creating more debt and interest and no customers. My bill provides for more customers without any debt and without any interest. It is necessary to get fundamentally to the bottom of the whole thing in order to solve this monetary question. By going half way down you help only the upper half that do not need help so much, but by going all the way down you help all the people. By going all the way to the very bottom, where we find the most needy, you help everyone as money naturally moves upward and not downward. You cannot help the farmer by helping the banker, but you can help the banker by helping the farmer.

The all-important thing about my bill is that it provides for expanding our money supply from the bottom. We have long since discovered that you cannot expand from the top by requiring the people to bribe down their money by interest or a ransom paid for the use of their own money.

Money is the wheels of trade and industry, but it must be honest money. It must be dependable wheels that do not break down and destroy trade and industry. It must be controlled money. You cannot depend on the wheels running straight without having control.

You cannot throw money into the channels of trade and industry carelessly and without measuring the necessary

amount to establish and maintain a price level. Money must be measured into circulation scientifically in exact measure and under a plan giving 100-percent velocity, and you cannot hand over to selfish interests the necessary amount of money determined upon and depend upon them to turn it into the veins and arteries of trade and commerce. Money must be forced into circulation by a monetary governmental authority, an agent of the Congress, under specific instructions to maintain the price level to protect the creditor and debtor alike. Money must be forced into circulation among the people—not the banks—through the lower-income group, the class that are cold and hungry. They will not hoard our money supply nor destroy our plan. No monetary plan can possibly succeed if we take the banks into the picture, into our monetary control plan; only the people must take part in this great program.

Our present monetary system is like driving an automobile with a loose steering gear. First, it runs us into the inflation ditch, and then, when we finally get out, it runs us into the deflation ditch. Money is like an automobile in this also, that it is the greatest vehicle for passenger transportation, but you must have control; you must have a brake on the car that is dependable or it becomes the poorest and most undependable vehicle of all, and money is the greatest vehicle for transportation in exchange of all commodities. But you must have control. You must have dependable brakes on your money system or it becomes the most disastrous vehicle.

My bill provides for monetary control by the Government through a monetary authority, an agent of Congress; expansion and contraction necessary to maintain a definite price level and stability to our money system are thus under definite governmental control.

Expansion and contraction necessary to maintain a definite price level of commodities will respond immediately to the will and command of our Government monetary authority.

By authority of this bill we control money—Government credit—by telegraph, radio, or the Associated Press in a mere news item. This may seem strange to you, fellow Members of Congress, but there is nothing new about this. Only 2 weeks ago our Government wanted to expand our money supply—based on Government credit—to the extent of \$1,400,000,000, so we just sent a telegram to each one of the 12 Federal Reserve banks, giving each bank a certain credit, asking them to place in their ledgers a certain figure, meaning Government credit, and said to them, "We, the Government, will just check on you for this amount." Truly, we gave the banks a mortgage on some gold they could not have, for if they really came into possession of this gold they would be fined or jailed under the act of 1934, when we conscripted all gold and provided that anyone having gold in his possession or gold certificates in his possession, would be punished by law. And gold was purchased for Government bonds, and the Government bonds were based on Government credit. So why all this red tape? It is all bunk, merely the relic of some antique superstition still lingering in the minds of old dreamers, but only those who are destitute of ability to originate a single new thought. The only parallel to this gold superstition that I know of is an old hermit down in my district who still believes in witchcraft and still believes the world is flat.

I said that under our plan as contained in this bill for Government monetary control, expansion and contraction of our money supply and velocity will respond in 5 minutes. Suppose our monetary authority should announce through radio or public press that on the first of next month we would start paying to 3,339,000 old needy people over 60 years of age, widows, orphans, blind, and invalids, the Nation's honorary roll of dependents, \$50 per month, or \$1,602,000,000 per year. We would immediately have established equities or purchasing power for this group, and being cold and hungry and in want they would immediately call up their merchants

on the very assured governmental plan of getting this money. Even before it was issued we would have established credit that would answer in cooperation from merchants or bankers immediately, as the merchant needs the business and the banks are anxious to lend their dormant deposits to those with an assured income. Thus we would immediately start the dormant \$15,000,000,000 now held in the banks into circulation. The needy would immediately start buying some little home and employ the carpenters and the painters. The merchant would hire extra help; orders would be rushed in to the jobber and the wholesaler, and these would rush orders into the factories, and labor would again be employed in a healthy manner without selling bonds that take money out of circulation, without interest on bonds that is penalizing the people so unjustly, without doles, and so forth.

One billion six hundred and two million dollars new money into circulation means an annual increased national income of approximately \$5,000,000,000 a year as the national income is no less than three times the new money in circulation. In 1929 every dollar changed hands over 50 times; even though we did not increase the velocity of our money more than this, this would create \$1,602,000,000 times 50 or an additional \$80,000,000,000 in business transactions annually, but, of course, it would do a great deal more than this, by starting our \$15,000,000,000 dormant demand deposits into circulation and gradually amplify the velocity of these as well.

It is hard to estimate the amount of prosperity this purchasing power to the Nation's honored dependents would establish. And it does not cost us a penny to do it, as statistics show that Uncle Sam grows 4 percent a year; and we must furnish by law the necessary amount of money, the lifeblood of Uncle Sam, in the same proportion that he grows. This means that in the year 1937 we should furnish Uncle Sam with exactly \$1,614,000,000 in new money, so this is ample to take care of social dividends of \$50 per month to the needy. And they at once hand it to the merchants for goods and it goes right into the 15,000 small commercial banks scattered over the Nation either as demand or time deposits. And as we have established a credit, equity, or purchasing and debt-paying power among our people, the banks will not invest in Government bonds but rent out these time deposits at home where the money belongs.

Suppose we had taken this \$1,602,000,000 and sold bonds to get it out by using bankers' credit money. In 90 days every dollar would be back in the big banks, adding only to the amount of dormant bank deposits. Why? Because you failed to create a lasting purchasing and debt-paying power among the lower-income group. Let me give you another picture of just what this bill will do. There are, as I said, 3,339,000 citizens in our land without any income whatsoever—these figures estimated by the Social Security Administration. According to the American table of mortality, estimating the average age as 65 years, this group will live 12 years. So 12 times 3,339,000 times \$50 equals over \$20,000,000,000 credit and purchasing power on which bankers can base their loans if they so desire. And merchants can extend credit if they wish, thus taking our dormant bank deposits into circulation and keeping them among the people. But we will do much more than this. This bill provides for \$1,000,000,000 for rehabilitation of farms, putting farmers that can pass what we might call a civil-service examination on their own farms, on the amortization plan, 1½ percent interest and 1½ percent payment on principal, payable direct to our Uncle Sam; building homes once more, the units in the foundation of our Government.

And that is a good way to kill communism and radicalism and preserve our democratic government. For, believe me, my fellow Congressmen, you cannot kill communism and fascism and nazi-ism with sword and gun nor with shot and shell. But you can choke them all to death with justice and righteousness. In this manner you can take the skeleton of

a radical and make a most patriotic citizen, who will love his country and support it, and a great nation shall come out of the mists and the clouds and the darkness of a great but mismanaged Government, and through the eyes of patriotism they shall once more behold the flag, the emblem of justice and liberty, and we, the people, shall be victorious, as the greatest of all books teaches that we cast our bread upon the waters and it came back a thousandfold.

Every nation that ever was and is no more died because it failed to solve the problem of distribution.

This Congress must never adjourn until we, the people's Congress, shall have solved this problem. That was the sacred covenant we gave to our people when we were elected. Do you remember, you Democrats, Republicans, Farmer-Laborites, and Progressives, when we said we would restore to the people their constitutional rights? Coin and control their own money? And we waved our party platforms and said, "Trust us. We will not let you down."

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BINDERUP. Mr. Speaker, may I ask so that I may know definitely, if I have permission to address the House on Friday, Saturday, Tuesday, and Wednesday of next week after the disposition of the legislative business in order for the day, as my request originally called for?

The SPEAKER pro tempore. The Chair quotes from the calendar:

On motion of Mr. BINDERUP, by unanimous consent, ordered, that on Wednesday, May 25, 1938, immediately after the reading of the Journal and disposition of business on the Speaker's table, and all legislative business of the day, he be permitted to address the House for 30 minutes.

That was agreed to on May 20, 1938.

Mr. BINDERUP. Mr. Speaker, my unanimous-consent request prior to that embodied 30 minutes for 5 consecutive days. In conclusion, I did say that which may have seemed bewildering, when I asked for permission to address the House on this particular day afterward. However, the original request was for 5 days. I would like to be clear on that.

The SPEAKER pro tempore. The Chair may say, without having the RECORD before him, the Chair cannot answer the gentleman's question definitely. However, the gentleman may renew his request.

PERMISSION TO ADDRESS THE HOUSE

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table, and at the conclusion of all legislative business in order for the day, I may be allowed to address the House for 30 minutes on Thursday and Friday of this week and Tuesday and Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a very splendid address by the distinguished Assistant Secretary of War, Hon. Louis A. Johnson, of West Virginia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to file with the Clerk a petition addressed to the Members of the House and to insert at this point in the RECORD a brief statement in that connection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, there is presented herewith a petition signed by a large number of citizens of many of the important communities of Idaho, urging the consideration and passage of H. R. 4199, commonly known as the Welfare Act, to provide for a national old-age pension.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California, Mr. SCOTT, may have permission to extend his remarks in the RECORD and include therein a radio address by himself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech on the legal aspects of tax-exempt privileges by Mr. John Philip Wenchel, Chief Counsel of the Bureau of Internal Revenue.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some remarks I made at the presentation of a plaque to Senator BONE because of his fine work on the bill creating the National Cancer Institute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FOREIGN-TRADE AGREEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. RAMSAY] is recognized for 30 minutes.

TRADE AND TRADE TREATIES

Mr. RAMSAY. Mr. Speaker, it may surprise the House to learn that at the present time, notwithstanding the education and enlightenment that has taken place during the past 6 years, that there are violent partisans who have convinced themselves that the American workman, who has suffered so much unemployment, can be fooled again into voting the Republican ticket, upon the theory that the trade agreement signed by our Government with Czechoslovakia during the last week of April in 1938 caused the lay-off of a great number of workmen during the fall of 1937. Through rhetorical distortions, misleading inferences, and unsupported assumptions, attempts are being made to mislead workmen as to the effects of these trade agreements.

These trade-agreement "feudists," in order to discredit the program, claim that "Congress has surrendered its right to pass tariff laws"; and that "the signing of these agreements has caused large increases in the importation of goods and merchandise into this country."

When you inquire, "What increases and in what period of time?" they cite you as their starting point to the tragic year of 1932, when all trade and commerce, both foreign and domestic, was almost destroyed and ruined by the Grundy Tariff Act of 1930.

It should not be forgotten that the act of 1930 had been protested by some 30 or 40 nations, who immediately retaliated by enacting tariff laws and embargoes against our trade and commerce which drove our goods from the European markets.

The figures for this tragic era of importations are cited against those for the comparatively prosperous year of 1937. It may be recalled that our import trade fell from the high record of 1929, the last year before the act of 1930, from about \$4,500,000,000 to the sum of \$1,433,000,000 in 1932—the depression low of imports in recent years.

Of course, there has been a measure of recovery. The enemies of trade treaties apparently desire that this country's imports and exports should remain at the low figures of 1932, when the entire national income was only about \$40,000,000,000. Do not they and everyone else know that

our income had reached the height of about \$68,000,000,000 in 1937, when foreign trade, both imports and exports, had increased by about 100 percent over 1932?

I desire to remind those who oppose these treaties that our exports and imports keep pace with the increased earning power of the American people, which greatly advanced between 1932 and 1937. I am sure those who shriek and storm—for political purposes—against these treaties know this full well, but believe a man out of work will not take time to analyze the facts sufficiently well to detect their false clamor, or their subtle manner of only stating half-truths, and the drawing of false inferences from a partial statement of facts. Such methods are followed for the sole purpose of deceiving unfortunate men and women out of employment. They are being daily fed on this unwholesome and synthetic diet, with important vitamins missing.

Before workers follow these fake leaders I desire to furnish them with facts and figures that will enable them to approach this subject armed with the weapons of truth.

The charge that low imports into this country will of itself create high employment is not borne out by the facts and figures furnished by Government agencies.

In 1929, when imports were about \$4,500,000,000, the index of employment, based on the figures 1923–25 as 100, stood at 109. The number of unemployed in the country was estimated at two or two and one-half millions.

In 1932, when imports had fallen to about one and one-third billions, this employment index fell to 63, and unemployment had risen to about twelve and one-half millions. These figures show the complete fallacy of the policy of economic isolation in effect in 1932 and still advocated by a few die-hard politicians. The foreign trade of the United States has markedly increased since the inauguration of the trade-agreements program and the modification of the isolationist's policy.

Nobody is being "sold down the river"

In the farming regions opponents of the program cry out that agriculture is being "sold down the river." In the industrial sections the false claim is that factories are being closed and workers are being "sold down the river" because our Government has entered into trade agreements with foreign nations.

Both of these claims cannot be true. Unbiased opinion well knows that neither is. It is the old game of attempting to work both sides of the street. As a matter of fact, the trade agreements are being carried out free from sectional bias for the benefit of the country as a whole.

There is no justification for the charge that this group or that group is being sacrificed at the expense of another. Naturally it is to be expected that in an agreement with predominantly agricultural countries some limited concessions will be made on agricultural products. That is necessary if we are to obtain beneficial concessions for our export industries.

In the agreements with highly industrialized countries the careful guarded concessions which the United States makes must be on industrial products, but the interests of each are carefully considered and studied before there is any easing of excessive trade barriers.

In trade agreements no one seeks to injure American farmers, workers, or producers. The cheap talk being peddled for political purposes to this effect is pure tommyrot.

Attempts to mislead workers

The current conception that American labor is best served by shutting out every trickle of imports in order to save the American market for American workers is unsound.

Labor leaders are frequently approached and secretly urged by selfish groups to array workers against the trade-agreements program. Labor is frequently influenced to pull the chestnuts out of the fire for others, because an embargo on imports for a short period of time will benefit a certain limited group of workers, but this can only be accomplished at the expense of American labor generally and of the country as a whole.

It is frequently urged that tariffs must be raised higher and higher so that high wages will be maintained in the United States. I am glad to learn that labor at last is beginning to see that this is not true, because wages are higher in export industries or those not depending upon tariffs than in protected branches of industry. Wages paid in export industries having little or no tariff protection are higher than those in a typical list of so-called protected industries. This is not to argue that the tariff protection is not of some immediate benefit to the workers in these industries. It does show, however, that high tariffs do not necessarily go with high wages or that high wages are the result of tariff protection.

I am not opposed to necessary tariffs, even for protection where necessary. At the present time two bills I introduced pertaining to a possible increase of tariff are now before the Ways and Means Committee of the House.

Like a former West Virginia Senator, I, too, "believe in protecting American industry by the broad shield of the American law."

Protection was extremely high in 1932, but wages were very low. The two do not run parallel by any means. For example, in 1935 the average wages in 12 groups of export industries were \$1,354, and the average in 12 so-called protected industries amounted to only \$827 per year.

In view of these facts, workers should not be misled by the fallacious statements that high tariffs bring them some tangible results in the nature of more dollars in their pay envelopes. Many of the people who are beating their breasts about the welfare of workers in relation to tariffs are really more concerned about dividends, interests, and profits; the income of machines which have in reality displaced workers, as in the glass industry.

Importance of the export trade of West Virginia

So much has been said regarding imports and loss of jobs, that one might easily be led to overlook the other side of foreign trade which is of interest to West Virginia and other States.

In 1929 West Virginia exported \$41,249,000 worth of products. This had fallen to \$14,683,000, or a reduction of 64 percent, in 1932—that tragic year from which the Republicans usually measure the increase in imports with recent years, when our unemployment had risen to the highest figure of our State history. These same carping critics never mention the benefits to workers of exports of coal, iron and steel, petroleum, lumber, and chemical products from West Virginia. It is fairly well known that the manufactures of iron and steel are important to my State. Critics of trade sometimes charge that the imports of iron and steel have been destroying the jobs of American workers.

An examination of the records will show that the exports of these products from the United States give employment to thousands and thousands of workers. The following figures indicate the relationship of imports and exports of iron and steel products, and the importance of the latter:

Exports and imports of iron and steel products

Year	Exports	Imports
1929	\$291,921,000	\$46,309,000
1936	151,770,000	30,885,000
1937	356,015,000	33,970,000

This table shows that the exports in 1937 exceeded those for 1929 and were more than 10 times as great as the imports.

Thus it is seen that, instead of imports taking away American jobs, many workers received their wages because of the exports of these products. The imports are seen to be insignificant in comparison.

It so happens that exports of these products are holding up much better than domestic sales at the present time. Workers should no longer listen to a selfish minority which would rob them of their jobs created by our exports of steel to foreign countries.

While considering these facts and figures, remember that during the last year our exports of steel, iron, and machinery reached the high total of \$356,000,000, at the same time making a new high in the exportation of tinplate.

The general total has never been exceeded but four times in the history of our country, and three of the former high exports in these products occurred during the World War.

It is claimed by steel manufacturers that 60 percent of this great sum was paid in wages to workers. If this be so, then 177,000 men, at an annual wage of \$1,200 was, or could have been, employed out of the income received from these steel products.

Is it the desire of these critics to absolutely destroy our foreign trade and commerce? If not, will they please inform the legislators of this country how we may prohibit all importations and still continue to sell to the rest of the world 10 percent of our goods and products? Will other nations continue to buy from us when we place embargoes against them?

How could these foreign countries pay for our goods—even if they desired to trade with us—when we say to them: "If you desire to do business with us, bring the cash"? If they refuse to trade with us—which, of course, they would do if we accept the theory of the trade isolationists—then 10 percent of our workmen would be immediately thrown out of work, adding three million more to the great army of unemployed.

I am criticized by partisan papers because I have supported the trade-agreements program, under which certain reductions in duty have been made.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I think the gentleman is giving a splendid address. I should like to remind the gentleman of certain facts which the gentleman knows, that only a few days ago the United States Chamber of Commerce, meeting in Washington, D. C., gave its approval to the trade agreements this administration has entered into with other countries.

Mr. RAMSAY. The gentleman is correct. I will remark about those facts later if I have time.

The fact that I have supported this program does not mean I want the products of West Virginia to bear more than their fair share of the necessary price of the trade-recovery program. I want my State and district to obtain as many benefits on concessions for exports as possible.

There appeared in the Washington Post (Republican) on May 6, 1938, an article regarding international cooperation. That article indicates that some 14,000,000 persons in the United States depend upon foreign trade for their livelihood. I wish to quote from that article an excerpt regarding the necessity and importance of export trade:

FACTORY EXPORTS FELL SHARPLY FROM 1929 TO 1932

It was no blessing to American industry that our exports of manufactured and semimanufactured products fell from three and three-tenths billions of dollars in 1929 to eight-tenths billion in 1932. It was no blessing to either industry or agriculture that our total exports declined to the low ebb of one and one-sixteenth billions of dollars in 1932. Some 14,000,000 persons in the United States depend upon foreign trade for their livelihood. A decline in our international trade inevitably has a direct effect upon employment in this country. This accounts, in no small part, for the fact that, even during our best months in 1935 to 1937, when production and employment were at their highest, we still had a persistent reservoir of some six or seven million unemployed persons.

The National Foreign Trade Council recently conducted a survey among its members to ascertain the importance of American export trade in the current depression. The survey produced some interesting facts. In the heavy-machinery industry, domestic orders fell to about 10 percent of production capacity, while export orders brought production up to 90 percent of factory capacity. In the steel industry, exports in 1937 increased 160 percent over 1936. In the farm-implements industry, export sales were 30 percent of total sales in 1937. In the typewriter industry, export orders were 26 percent of total sales in 1937. In the refrigerator industry, export orders showed a 25-percent increase during 1937. In the petroleum industry, exports amounted to \$350,000,000 in

1937. These increases in exports occurred in a year in which domestic orders were rapidly declining, and indicate the importance of foreign trade to the solution of unemployment in the United States.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from Ohio.

Mr. FLETCHER. I notice that the papers in the gentleman's district are absolutely misrepresenting the alleged failure of these trade agreements in the most demagogic style.

Mr. RAMSAY. The gentleman is correct.

Mr. FLETCHER. I believe we all owe a debt of gratitude to the gentleman for making this factual statement of the truth regarding imports and exports.

Mr. RAMSAY. I recently read an article criticizing the trade treaties. In an effort to show that the balance of trade had been against America, the writer stated that American tourists last year had spent \$500,000,000 abroad. In order to make it still further ridiculous, he stated that we had spent over a billion dollars for gold and \$200,000,000 for silver, and blamed that on the Hull trade treaties.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, the gentleman comes from a great mining State and he perhaps knows that I represent a great lead and zinc mining district, Joplin, Mo., which, along with southeastern Kansas and northeastern Oklahoma, is the greatest lead- and zinc-producing region in the world. I do not want to misrepresent my people, but I certainly am constrained to rise here in their defense and inform the gentleman that not only the economic royalists, the mine operators themselves, who clip coupons, but the miners, the boys who go down into the bowels of the earth and work with their hands, are gravely concerned over the proposed reciprocal-trade agreement with Canada and the United Kingdom because there has been a threat to cut the tariff on lead and zinc. If that tariff is cut 50 percent, the few mines that are struggling to keep open today in that great tri-State area will be forced to close.

Mr. RAMSAY. Of course, I do not know what will be in the British trade treaty, and neither does the gentleman. I am just dealing with the situation as it is at the present time.

Mr. SHORT. It is too bad that the Congress does not know, but of course we have abdicated our powers and turned over to the Executive the authority to negotiate these treaties without their ever being considered, let alone ratified by the United States Senate.

Mr. FLETCHER. Will the gentleman yield in order that I may make a statement in reply to the gentleman from Missouri?

Mr. RAMSAY. I yield.

Mr. FLETCHER. I was raised within 8 miles of McKinley's farm. My father was a Republican, and I recall he had charge of the county committee. Mr. McKinley, who was a high-tariff man at that time, had a lot of stock in a tin mill and he went into bankruptcy under the high tariff. My father and other farmers went around collecting a McKinley aid fund to give to Mr. McKinley, who had gone broke under your high tariff. Mr. McKinley himself changed his mind about the tariff, and, if the gentleman will recall, and he may not as he is rather young, but the gentleman might be able to look it up, in his speech in Buffalo Mr. McKinley showed the beginning of a change in mind toward the reciprocal-trade agreements. The present Chief Justice of the Supreme Court of the United States, Mr. Hughes, approved of this plan, as you recall, when Mr. Harding was President. The other day Mr. Charles P. Taft, of Ohio, who is a candidate for the United States Senate, made a statement in absolute refutation of all you gentlemen on that side of the aisle have said during this long and windy session of Congress.

Mr. RAMSAY. Let me explain to my friend from Missouri, who seems to be alarmed about the effect of these trade agreements, what effect they are having at the present time.

CURRENT TREND IN FOREIGN TRADE

For those alarmists still weeping about the figures of import trade for 1936 and 1937, the following tabulation is presented to indicate more recent trend in the foreign trade of the United States:

Foreign trade of the United States for the first quarter of 1937 and 1938

	1937	1938	Increase (+) or decrease (-)
Exports.....	\$712,355,000	\$827,781,000	+\$115,426,000
Imports.....	825,626,000	507,044,000	-\$318,582,000
Total.....	-113,371,000	+320,737,000	

The above figures should please those who are still howling about the smallness of the so-called favorable trade balance in 1937. It is seen from the above table that exports exceeded imports by \$320,737,000 for the first quarter of 1938 over 1937. There was an increase of exports of \$115,426,000 as imports decreased by \$318,582,000 during this period. For those who believe only in exports, the above picture should be satisfactory. Realists, however, know that exports cannot continue at the present rate with such a decline in imports. The one cannot maintain its pace without the other being affected.

Foreign trade is mutual, and we must look at both sides of the picture. A nation must buy if it is going to sell, and we must sell or further close down our industries, and enlarge our list of unemployed.

VOLUME VERSUS VALUE FIGURES

I have been criticized for quoting the value figures of foreign trade, such as shown above. Volume figures have a limited use in the study of foreign trade.

A paper in my district has attempted to take me to task for not showing quantity figures in a recent analysis I made regarding imported products. Whether to use volume or value figures depends upon the point of view or the purpose in mind. Incidentally, in this paper which criticized my use of value figures, the editorial later showed value figures to indicate how badly the glass industry had been hit by imports. Why did it not stick to volume figures? It would mean absolutely nothing to compare tons of exports of scrap steel with tons of imported rubber. There is no basis for comparison of such figures, neither would such a comparison indicate the real well-being of the individuals involved in such an exchange of quantities of goods.

The price or value is the important consideration to the producers and sellers of products. Farmers and other producers are interested in the amount of money received for their sales. They are not interested in selling either at home or abroad two pounds of cotton or other products for the price of one. National income is measured in dollars, not in tons, gallons, or yards.

This critical editorial in the paper of my district implied that I was attempting to dodge the real facts of the situation or conceal something by not showing the volume of imports of glassware and chinaware products. I could not conceal such facts if I tried. On the imports of such products the record is open to any one who desires to read.

In this same contradictory editorial, it was inferred that the foreigners were putting one over on us in the value they used in their exports to us. Reference was made to the "fictitious trade dollar."

If the present dollar is fictitious, then our own economic system is fictitious. This is the only kind of dollar in circulation in the United States.

As far as the valuation of imports is concerned, we are now following practically the same system we have followed for the last 100 years. A large part of that time the system was administered by Republicans. The fact that the present value system has been in force for a long time does not necessarily mean that it cannot be improved upon. But it so happens that those who advocate a valuation based on the domestic market price (implied in the editorial) are really advocating a higher schedule of duties; but they

dare not come out in the open and say as much. Apparently they did not get enough of Grundyism in 1930 and in the subsequent disaster.

Before the passage of the Tariff Act of 1930 there was no specific duty on chinaware. Previous tariffs on pottery were based on ad valorem duty only. Then a cup and saucer were counted as one, but under the Tariff Act of 1930, placing a specific duty on pottery ware of 10 cents per dozen, as well as an ad valorem tariff, the customhouse adopted the rule of counting each piece, and thereafter a cup and saucer were counted as two pieces.

About that time Japan had taken advantage of the method of counting and were shipping into this country large numbers of cups and saucers that numbered only one-half what the same number now designates. This the critics of trade treaties never explain, but, I am sure, accounts for their partiality for volume instead of value.

THE JAPANESE BOGEY

The critics of foreign commerce always attempt to capitalize on the emotionalism of the Japanese bogey with respect to imports under trade agreements. In the first place, it should be emphasized once and for all that there has been no trade-agreement negotiation with Japan; and, in the second place, as respects the most-favored-nation treatment, Japan has received very little benefit in the reductions thus far made in the 17 trade agreements in effect. To the enemies of foreign trade the road is always full of ghosts, Japanese or others, and they fully believe the equality of treatment is only giving our market away to the terrible foreigners. The record does not bear out their dire assumptions.

In a recent speech before the Chamber of Commerce of the United States, George P. Auld, a businessman, stated:

The scope of the generalizations actually made by the United States, however, has been closely limited by narrowing the definitions of the products covered by the agreement concessions, and an escape clause in the agreements makes those limitations effective. A proof of this lies in the figures of our imports from Japan during the first 9 months of 1937, included in which was an amount of \$1,800,000 (or less than 2 percent) that represented items coming in under agreement concessions generalized in Japan.

In discussing the dollars-and-cents trade of Japan, we ought to be able to examine the figures from a factual standpoint and not from an emotional basis.

The old cry used to be "Chinese coolie labor," but now the hue and cry is "cheap Japanese labor." From all of the emotional stuff we see in the papers one might conclude that it does not cost anything to produce products in Japan. Now, I maintain, if undue damage results to our industries from the importation of Japanese manufactures into the United States at unfair prices, suitable specific action to remedy that situation should be taken.

The Tariff Commission has studied Japanese trade for years. It has apparently not seen fit to recommend action to the President.

The red herring of quoting the daily wages in Japan alongside the similar rate of wages in the United States, and then assuming that this completes the true cost picture, is forever dragged into a discussion of foreign trade.

It should not be forgotten that we sell much more to Japan than we buy from that source, so I feel we should be sane businessmen and face these facts. To conclude that American workers are called upon to work for 40 cents a day because the Japanese are alleged to work for that amount, is as fallacious as it is dishonest. That comparison has about as much validity as to say that the wages of a steamshovel operator could be no greater than the operator of a shovel or wheelbarrow. Do they not compete in doing the same kind of work? Note that nothing is said in either instance of the productivity and other phases of the Japanese and American workers or the steamshovel operator and the wheelbarrow-shovel man. The one comparison has about as much validity as the other.

IMPORTED SHOES NOT PINCHING

Although the production of shoes does not concern my State or district, I should like to comment upon the trade agreement with Czechoslovakia, as regards the concession

granted on shoes. Reduction in duty on some types and binding the rates on other types was limited to imports up to one and one-quarter percent of the domestic production. The new influx of shoes which it was suggested might destroy the domestic industry, could amount—over and above previous imports—to something less than one-half of 1 percent of our production. The public will surely soon become surfeited with such extreme exaggerations and misrepresentations. Fair-minded persons have begun to wonder whether the opponents of the program really want a fair consideration of its possible benefits to the public, or would rather have it junked for narrow and selfish reasons.

An article in the *Annalist* of March 1938, on various business activities of New England, has the following to say about shoes:

Although a number of New England shoe manufacturers have expressed disapproval with the tariff concessions granted by the United States Government (in the Czechoslovak agreement) a perusal of the provisions of the treaty will show that their markets have been left practically untouched.

The *Boston Herald*, following the signing of the agreement with Czechoslovakia, stated in part,

We can simply conclude that most of the distressful remarks from Washington and local territory are made for political effect without a careful study of the facts, the figures, and the past of shoemaking here and abroad. * * * The hard-headed manufacturers will take a more encouraging view of their own abilities and their industries than most of the politicians seem to have. Manufacturers were afraid that the duty on a certain type of shoes would be lower. It remains unchanged. They wondered whether the Czechoslovak shoes would be dumped on us in huge volume. They will not be. * * * Moreover, there are carefully drawn provisions for preventing any disastrous developments.

Evidence since that time indicates that there has been a general pick-up in the shoe industries, and that there was such a demand for the Easter trade that workers were asked to work Saturday afternoon but refused. The following depicts the conditions in the shoe industry:

[From the *Washington Star* of April 24, 1938]

OUTLOOK CLEARS IN SHOE INDUSTRY

Prospects for all branches of the shoe and leather industry have improved since the beginning of the current year, according to *Poor's Stock Reports*.

Demands for shoes, leather, and hides have been outdistancing production, and stocks of all are reported relatively low. Labor costs have been reduced. Favorable to the makers of the cheap shoes is the fact that the demand for footwear is but moderately affected by low consumer purchasing power, but it tends to shift less expensive makes during times of economic distress.

[From the *Brockton (Mass.) Enterprise and Times* of April 16, 1938]

SHOE EXPORTS GAIN—IMPORTS SHOW DECLINE

Exports of leather footwear in February of this year showed considerable gains over January and also for February of last year, with 204,278 pairs, valued at \$572,136, being sold abroad, a gain of 55 percent in value over January and 40 percent over February 1937, according to *Hide and Leather*, international shoe and leather weekly.

GLASS PRODUCERS SAY REDUCED TARIFFS HAD LITTLE TO DO WITH GLASS CONCERN SHUT-DOWNS

There has been considerable talk in my district regarding the agreement with Czechoslovakia and its effect on glass. Press reports indicate that some glass firms have closed down since the signing of that agreement. I made certain inquiries regarding the firms in my district, and one important manufacturer said:

I could not honestly say that the tariffs have had anything to do with the condition of the glass business since last July, as the Czechoslovak agreement does not go into effect until tomorrow. How that agreement will affect us, we do not know, but we rather suspect that it will tend to increase imports of glassware.

This manufacturer went on to say that he himself imported certain glass products from Czechoslovakia, because the cost if made by American labor would be prohibitive.

In the same correspondence the manufacturer indicated that probably 90 percent of all the tumblers that are made in this country at this time are made by machinery. These factories which have closed appear to be more affected by the machine-made industry than by imported products. Anyway, it is to be expected that a strong and efficient American in-

dustry will not fold up until it actually sees the effect of an agreement. The competition of the glass companies apparently affected the *Louis Glass Co.* and the *West Virginia Glass Specialty Co.*, under the same management, which are reported to have closed the day the Czechoslovak agreement went into effect. It may be true the competition from Japan and Czechoslovakia have had an effect, but the volume of imports as a whole compared with domestic production is not such as to give rise to the fear that the domestic market is being turned over to foreign producers. The reduction in the rate of duty on glass tableware was only slight, from 60 to 50 percent ad valorem.

In order to present the real facts and figures dealing with such imports and exports, I requested the Tariff Commission and the Department of Commerce to furnish figures showing the effect these trade treaties have had upon the American commerce in glass and pottery ware. From these figures furnished me, I give the following, which will speak for themselves, and answer all general charges made about these subjects:

Glassware

1929, glassware of all kinds:	
Imports	\$13,992,000
Exports	10,931,000
	3,061,000
1937, glassware of all kinds:	
Imports	10,172,000
Exports	9,784,000
	388,000

Our exports of glass under trade treaties with Canada and Cuba show as follows:

(1935 first year of trade treaty with Canada and Cuba)

Exports, glassware of all kinds to Cuba:	
1935 (before treaty)	\$311,261
1935 (after treaty)	1,211,510
1936 (after treaty)	1,177,460
1937 (after treaty)	1,555,235
Exports, glassware of all kinds to Canada:	
1935 (before treaty)	2,896,855
1936 (after treaty)	3,622,749
1937 (after treaty)	4,375,765

Pottery ware

While the record for pottery ware is not quite as astonishing, it is as follows:

Imports, pottery ware of all kinds:	
1929	\$15,025,634
1937	7,200,065

It will be readily seen that the importation of glass and pottery ware into the United States for the year of 1937 was less than one-half what it was under the great Republican year of 1929, when we never heard mention of such imports.

The figures show that instead of these treaties increasing importations of glass and pottery ware, they are now much less than they were in the great Hoover year of 1929, and that in Cuba and Canada our trade treaties have greatly increased the exports of our glassware, to the benefit of the manufacturer and workers of this country.

The tariff on importations of pottery ware is now exactly where it was under the Hoover administration, except the Tariff Commission can, if it believes it necessary to protect this industry, increase the tariff 50 percent.

No treaty with any nation has lowered this tariff in any particular, regardless of inferences to the contrary.

EFFECTS OF TRADE AGREEMENTS

The best answer to the cry that the trade-agreements program has been one-sided and is giving the foreigners all the advantages through the most-favored-nation principle is a survey of the actual results of the trade-agreements program.

The program did not get well under way until January 1936, when the Canadian and Brazilian agreements went into effect. The Netherlands, Swiss, and a number of other agreements went into effect later, so that 1936 may well be taken as the starting point of the effectiveness of agreements.

The exports from and imports into the United States for the 2 years, 1934-35—preagreement years—and 1936-37, are compared as follows:

(Millions of dollars)

United States exports	1934-35 average value	1936-37 average value	Increase 1936-37 over 1934-35	
			Value	Percent
Total, all agreement countries.....	757	1,074	+317	+41.9
Total, all nonagreement countries.....	1,451	1,827	+376	+25.9
UNITED STATES GENERAL IMPORTS				
Total, all trade-agreement countries.....	774	1,125	+351	+45.2
Total, all nonagreement countries.....	1,077	1,629	+552	+51.3

No one ascribes all of the increase in trade to the agreements alone. However, no one can deny that they have substantially stimulated foreign commerce. During the 2-year period of 1936-37, in comparison with the preceding 2-year period, the increase in United States exports to trade-agreement countries was 41.9 percent, while the increase of exports to all other countries was 25.9 percent. These facts have been made available to all who desire the full record.

The exports for 1937 over 1936 increased by \$889,000,000, while imports increased by only \$662,000,000. That does not indicate that American markets are being opened up to foreign goods for nothing in return.

REPUBLICAN SUPPORT OF AGREEMENTS

At the beginning of these remarks I spoke of the partisan attacks being made on trade treaties. I want it understood that there are able Republican supporters for this program.

A recent public institute poll indicated that nearly two-thirds of the Republicans answering the questionnaire favored the principles of the program.

It is fairly well known that a long parade of Republican leaders, such as Charles P. Taft, son of the President who negotiated an agreement with Canada; Colonel Frank Knox, recent second-place "white hope" of the Republican Party; Robert Lincoln O'Brien, for several years Republican Chairman of the Tariff Commission; Winthrop W. Aldrich, son of the late Nelson Aldrich, of Rhode Island, who, as a leader in the Senate, sponsored the high protective rates of the Payne-Aldrich Act, are all supporters of Mr. Hull's trade-agreements program.

Winthrop W. Aldrich recently said:

Secretary Hull is not proposing to do away with all protection, nor am I, but we have let our protective tariff run wild and we must moderate it. I believe it is economically impossible for this country to isolate itself from the rest of the world, and I assert that the superiority of the interests of all the people over those of any minority group or groups is obvious.

It is to Mr. Aldrich's credit that he realized the difference in our position as a creditor nation from that of 30 years ago, when his father sponsored high protection. Many of the adherents of his party are still living in the past three or four decades. Mr. Aldrich has had the courage to cast aside the loyalty to a threadbare principle, which no longer has any validity. He believes the tariff policy of the country should be geared to the conditions confronting us.

David Lawrence, in commenting on Mr. Aldrich's stand, recently said:

Secretary Hull's policies have been under fire from the extreme protectionists, and there is much doubtless to be said in favor of different methods of negotiating reciprocity agreements, but on the basic idea of making reciprocal-trade agreements effective without submitting them to the logrolling and frustration of congressional committees more and more Republicans are coming to realize that their 1936 Cleveland convention plank was a gross mistake and that its correction is essential if a large block of independent votes is to be won to the Republican standard. Mr. Aldrich speaks not only as a businessman but as a conspicuous Republican, and, incidentally, he happens to be president of that all-important body of businessmen known as the Chamber of Commerce of the State of New York. Not in so many months has so strong an ally for Secretary Hull's policies come forth from the Republican ranks to take his stand for removal of tariff barriers by negotiation of reciprocal-trade agreements.

Figures quoted from the departments show that since entering into trade agreements with foreign nations our export trade with these countries with whom we have signed has increased 41.9 percent, while our export trade with non-treaty countries has increased 25.9 percent.

This fact alone should convince all of us that there is more "heat" than fact about this charge of foreign competition and the argument that the trade treaties entered into by our Government with foreign nations is destructive of our trade and commerce is a complete fallacy.

South America consumes \$20,000,000 of glass products each year. Most all of this trade, with the exception of Cuba, goes to Germany and Belgium. Our trade agreement with Cuba shows the possibility of securing a large bulk of this rich commerce for ourselves.

Is this great effort of Secretary Hull to be destroyed by unfair and untrue propaganda? Are the manufacturers of our own country to be denied the benefits of this ever-growing trade and commerce of South America, the most-sought-for plum of all well-informed nations for future expansion of their trade and commerce? Are the hysterical mouthings of uninformed political hatred and ill will to sway and guide our efforts to improve trade conditions?

Tariff revisions under these trade agreements are not arrived at by the old-time lobbying methods of a Grundy. Neither are they arbitrary changes based on guesswork, but are only arrived at after a careful, unbiased survey of the relative needs of the countries involved by the various committees of the State Department.

Each agreement has only been another step toward a rational world distribution under the prevailing world conditions that face the participating countries.

In initiating these trade treaties, Secretary Hull has done an outstanding piece of work, one, I know, that is not sufficiently well understood to be fully appreciated. In such matters we cannot afford to be biased merely by political affiliations. We must, if we desire to aid the welfare of our country, forget our politics and think of these treaties as they really are, designed solely for the purpose of extending and increasing our world trade and commerce.

The Czechoslovak trade treaty only went into effect during April of this year. No person can say with exact certainty what the effect will be on our exports and imports. The committees of the Department of Commerce, who have studied and proposed its terms, feel it will operate like all former treaties that have been made—in favor of our trade in manufactured goods. That has really been the effect of other treaties. Let us at least give this last treaty a fair chance to operate before we pull down the pillars of the temple in our imagined partisan wrath.

Our past economic history proves to us that to enjoy complete prosperity we must encourage export trade and commerce. Nothing can aid our desires and needs for such trade like international good will and friendship, that is so successfully being cultivated by these trade agreements now being negotiated by our brilliant Secretary of State, Cordell Hull. [Applause.]

EXTENSION OF REMARKS

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

GENERAL WELFARE ACT NATION'S GREATEST NEED

Mr. O'CONNOR of Montana. Mr. Speaker, as we approach the end of the seventy-fifth session of Congress, it is well that we take stock and see what is lacking in our program so far. We can then turn our eyes to the future and determine that this need must be filled.

Our greatest need, as I see it, is a measure that will give real security to our aged and at the same time give to American business the impetus it needs to put us on the road to industrial recovery. As I look back upon our work I realize

more and more that the measure that will fill this need is the proposed general welfare act, H. R. 4199, which has been pigeonholed in the Ways and Means Committee without even being given a hearing, although one has been requested in writing by 154 Congressmen.

Although backed by all forces seeking a national old-age pension that will bring a purchasing power now, and although actively sponsored by 92 Members of this House who have pledged themselves to its support, either with or without amendments, this measure seems doomed to die with this session of Congress. The 126 signatures on the discharge petition filed at the Speaker's desk by Congressman HARRY SHEPARD, of California, may possibly be increased enough to bring them to the 218 mark, but I doubt that this can happen before we adjourn.

But when we come back in January, Mr. Speaker, I predict that the new measure which will be introduced along this line will make such remarkable progress that even the older Members of this House will begin to wonder what is taking place. I can see it coming, as the progress made at this session of Congress has been truly remarkable.

When we started there were but seven members of the General Welfare Act steering committee promoting the bill. This committee was increased to 40 in May 1937. I became a member at that time and have attended most of the meetings the committee has held. Its membership has now been increased to 64, and the steering committee resolution, which the 40 original members signed in August 1937, now has 92 signatures, 47 of them obtained since the beginning of the year, an increase of over 100 percent in 4 months' time. The signatures on the request to the Ways and Means Committee for a hearing have increased during this same period from 75 to 154, also an increase of over 100 percent, and the signatures on the discharge petition have risen from 104 to 126 during this period.

Coincident with this remarkable spurt this bill has made of late is a new attitude toward the measure on the part of my colleagues in Congress. No longer do we hear it referred to as a "crackpot" measure. It is being considered as a reasonable piece of legislation, and when it appears again in January 1939 it will undoubtedly be made more so, as we progress as time goes on and learn how to make even more rapid progress by being reasonable in our demands and by not asking for things which the Nation is not prepared to grant. A start must first be made before we can gain all of the objectives which we desire; but in the end, Mr. Speaker, we will reach them.

These objectives, in the main, are:

First. Real protection to all the aged citizens of our Nation, regardless of the misfortunes some of them may have suffered in life which made it impossible for them to be contributors to the special fund we now provide for those who are able to work and out of their wages buy annuity policies.

Second. A purchasing power now, to bring industrial recovery. Taxing workers 3 percent on their gross income and taxing their employers 3 percent on their pay roll on the top of this, as the Social Security Act contemplates, might be justified if it brought to business an equivalent return at the present time. But to wait for the buying power until the present workers are 65 years old ruins everything. We must be placed on a "pay as you go" basis as far as old-age pensions are concerned before they can be used for recovery purposes.

With these thoughts, Mr. Speaker, I leave this matter until the year 1939, which I predict will bring to the old people of this Nation a just compensation for their years of struggle, which in turn will bring to the entire Nation the prosperity we have been seeking.

Are we in Congress going to fail the aged people of this country who built our homes, schoolhouses, churches, public buildings, and conquered a wilderness that we of the younger generation could live in a reasonable degree of comfort? Millions of these people are today in need. If we fail them, are we entitled to truthfully say that we believe in the great truths and principles of what we understand to be Americanism?

EXTENSION OF REMARKS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the pay and hours of work of firemen in the District of Columbia and in other American cities and the cost to the taxpayers of the District of Columbia of the 60-hour-week bill which was passed by this body today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to quote therein from a letter I received this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program tomorrow and following other special orders, the gentleman from New York [Mr. LORD] may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MOTION PICTURES—BLOCK BOOKING

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, I take this opportunity to advise the House that last week the Senate passed the so-called Neely-Pettengill block-booking, blind-selling bill, and it is now over here for action by the House. I do not know of any bill which has come up in many years which has had such widespread support from people who have no interest in legislation except to unselfishly improve the conditions of living for themselves and their children in their home communities. The National Congress of Parents and Teachers, the Y. W. C. A., the Y. M. C. A., and other great institutions and associations are interested in clean motion pictures, in behalf of some 80,000,000 picture goers every week. I ask unanimous consent to include a list of some of these associations composing millions of our fellow citizens who are interested in this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The matter referred to is as follows:

NATIONAL ORGANIZATION URGING PASSAGE OF NEELY-PETTENGILL BLOCK-BOOKING BILL (S. 153 AND H. R. 1669)

American Association of University Women.
American Baptist Publication Society.
American Federation of Teachers.
American Home Economics Association.
Association of Childhood Education.
Associated Film Audiences.
Board of Temperance and Social Welfare, Disciples of Christ.
Catholic Boys Brigade of the United States, Inc.
Catholic Central Verein of America.
Catholic Daughters of America.
Catholic Order of Foresters.
Committee on Moral and Social Welfare, Lutheran Church in America.
Council of Women for Home Missions.
Editorial Council of the Religious Press.
Federal Council of Churches of Christ in America.
Girls' Friendly Society of the United States of America.
Knights of Columbus.
Motion Picture Research Council.
National Board of Young Women's Christian Associations.
National Congress of Parents and Teachers.
National Council of Catholic Women.
National Council of Protestant Episcopal Churches.
National Council of Young Men's Christian Associations.
National Education Association.
National Grange.
National Motion Picture League, Inc.
National Woman's Christian Temperance Union.
National Women's Trade Union League of America.

The National Sentinels.
United States Daughters of 1812.
Allied States Association of Motion Picture Exhibitors.

**SOME OF THE STATE ORGANIZATIONS WHICH HAVE ENDORSED THE
LEGISLATION**

Forty-six State organizations of the National Congress of Parents and Teachers have endorsed the bill.

Following are some of the other State organizations which have endorsed it:

Independent Exhibitors, Inc. (covering States of Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island).
Allied Theater Owners of New Jersey, Inc.
Motion Picture Theater Owners of Maryland, Inc.
Motion Picture Theater Owners of Western Pennsylvania (covering western Pennsylvania and West Virginia).
Allied Theaters of Michigan, Inc.
Co-operative Theaters of Michigan, Inc.
Allied Theater Owners of the Northwest, Inc. (including Minnesota, North and South Dakota, and Montana).
Allied Theaters of Illinois, Inc.
Associated Theater Owners of Indiana, Inc.
Independent Theaters' Protective Association of Wisconsin and Upper Michigan.
Independent Theater Owners of Ohio, Inc.
Cleveland Motion Picture Exhibitors' Association.
Allied Theater Owners of Texas, Inc.
Allied Theater Owners of Louisiana.
Allied Theater Owners of Connecticut.
Allied-Independent Theater Owners of Iowa-Nebraska.
Motion Picture Theater Owners of Nebraska and Western Iowa.
Detroit Council of Catholic Organizations.
Allied Youth of Detroit, Mich.
Society of Mayflower Descendants of Ohio.
Northern Baptist Convention, Education Department Diocese of Pennsylvania Christian Social Service and Institutions.
Pennsylvania Council of Churches.
Church of the Holy Trinity, Brooklyn, N. Y.
Massachusetts Civic League.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. MAPES. In my correspondence with those interested in the legislation, I have said to them that as a member of the Committee on Interstate and Foreign Commerce, I am very glad to cooperate with the gentleman from Indiana and friends of the legislation to have this bill brought up and considered in committee at the earliest possible time. Has the gentleman any hope of having the legislation considered at this session of Congress?

Mr. PETTENGILL. I have.

Mr. MAPES. Has the gentleman any assurance that it will be?

Mr. PETTENGILL. I have no such assurance.

Mr. MAPES. The gentleman has hope, but no assurance?

Mr. PETTENGILL. I do not want to quote anybody, but when the gentleman asks me if I have hope, I say that I have, and I have reason for it. I thank the gentleman for his cooperation in this matter. Long hearings have been conducted on this legislation both in the House and in the Senate. The legislation has been pending now for 3 or 4 years and I hope Members, especially the new Members, will not insist on further hearings on the bill. The Senate took up the matter without new hearings, relying on the hearings in a previous session. I earnestly urge friends of the legislation to give all possible assistance toward bringing it to action in the House at this session.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. MICHENER. I have received many letters in favor of the bill. Will the gentleman tell us who is opposing the bill?

Mr. PETTENGILL. The Will Hays Motion Picture Trust. Whatever may be said of this matter, it is monopolistic in the highest degree, and in view of the President's recent message on monopoly, it seems to me that this is a peculiarly appropriate time for the House to consider this legislation.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, in this morning's New York Times there is a short article that refers to me in connection

with the relief bill. I ask unanimous consent to extend my remarks by including that article in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 10 days, on account of important business.

To Mr. POLK, for the remainder of the week, on account of death in family.

To Mr. ATKINSON, indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 4022. An act to amend the Federal Reserve Act in regard to charitable contributions, and for other purposes; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Thursday, May 26, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, May 26, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 31, 1938. Business to be considered: Hearings on H. R. 10620, entitled "To remove existing reductions in compensations for transportation of Government property and troops incident to railroad land grants."

**REPORTS OF COMMITTEES ON PUBLIC BILLS AND
RESOLUTIONS**

Under clause 2 of rule XIII,

Mr. MAAS: Committee on Naval Affairs. H. R. 10722. A bill to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938; with amendment (Rept. No. 2474). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAVERICK: Committee on Military Affairs. H. R. 10737. A bill to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches and necessary fence lines; without amendment (Rept. No. 2475). Referred to the Committee of the Whole House on the state of the Union.

**REPORTS OF COMMITTEES ON PRIVATE BILLS AND
RESOLUTIONS**

Under clause 2 of rule XIII,

Mr. GILDEA: Committee on Immigration and Naturalization. H. R. 7606. Bill for the relief of Albert Richard Jeske; without amendment (Rept. No. 2476). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. S. 3758. An act for the relief of Emily Gertrude Toby; without amendment (Rept. No. 2477). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEA: A bill (H. R. 10752) to authorize Federal cooperation in the acquisition of the Muir Wood Toll Road, located in Marin County, State of California, and for other purposes; to the Committee on the Public Lands.

By Mr. WILCOX: A bill (H. R. 10753) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. LAMBETH: A bill (H. R. 10754) to amend certain sections of the act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended; to the Committee on Printing.

By Mr. COCHRAN: A bill (H. R. 10755) to authorize the Secretary of the Treasury to make and carry out agreements of indemnity to banks paying him moneys to cover checks or drafts issued by such banks payable to the United States or an agency or officer thereof which have been or may be lost or destroyed; to the Committee on Expenditures in the Executive Departments.

By Mr. HILL: A bill (H. R. 10756) to provide for the installation of an automatic machine for recording and counting votes in the House of Representatives; to the Committee on Accounts.

By Mr. PETERSON of Florida: A bill (H. R. 10757) authorizing the construction and equipment of a marine hospital in the State of Florida; to the Committee on Merchant Marine and Fisheries.

By Mr. BOLAND of Pennsylvania: Resolution (H. Res. 507) requesting information relating to railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: Joint resolution (H. J. Res. 698) to permit the transportation of freight by foreign-owned vessels between the port of Fort Pierce, Fla., and the ports of Portland, Oreg., and Seattle, Wash.; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH: A bill (H. R. 10758) for the relief of Herbert Wenzel; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 10759) granting a pension to Maude E. Boyden; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 10760) for the relief of Martha G. and Arnold E. Orner, Sally C. Guise, and the estate and minor children of Dale W. and Gladys M. Guise; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 10761) granting an increase of pension to Isabel Gammon; to the Committee on Invalid Pensions.

By Mr. SACKS: A bill (H. R. 10762) for the relief of Ciro Maglione; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5236. By Mr. DEROUEN: Petition of the Louisiana Public Welfare Association, State of Louisiana, petitioning and urging the Congress of the United States to amend the Social Security Act by providing financial participation by the Social Security Board of an amount equal to 50 percent of the funds granted by States for assistance to dependent children, and to the sick, the infirm, and those otherwise physically or mentally handicapped between the ages of 16 and 64; to the Committee on Ways and Means.

5237. By Mr. KENNEDY of New York: Petition of the Women's City Club, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5238. Also, petition of the Transport Workers Union of Greater New York, N. Y., urging enactment of the wage-hour bill; to the Committee on Labor.

SENATE

THURSDAY, MAY 26, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday May 25, 1938, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 1225) to provide for insanity proceedings in the District of Columbia.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 6869. An act to regulate the occupation and practices of cosmetology, to create a District of Columbia Board of Cosmetology for the examination and licensing of persons to carry on or to teach such practices, to insure the better education of such practitioners, to provide rules regulating the proper conduct and sanitation of cosmetological establishments and schools, for the protection of the public health, and to provide penalties for violation thereof; and

H. R. 7085. An act to regulate barbers in the District of Columbia, and for other purposes.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the Senate:

H. R. 5696. An act to provide for the retirement of certain members of the police and fire departments of the District of Columbia, the United States Park Police force, and the White House Police force;

H. R. 7710. An act to provide shorter hours of duty for members of the fire department of the District of Columbia;

H. R. 7982. An act to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia;

H. R. 9468. An act to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.;

H. R. 9475. An act to create a commission to procure a design for a flag for the District of Columbia, and for other purposes;

H. R. 9844. An act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes;

H. R. 9873. An act to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed;